

Algeria	550 Drs.	15.32	Norway	550 Nkr.
Austria	175 Drs.	1000 Lira	Oman	5700 Rials
Bahrain	600 Drs.	450 Frs	Portugal	50 Esc.
Bangladesh	250 Taka	500 Drs.	Qatar	500 Drs.
Canada	C\$1.10	500 Frs.	Rep. of Ireland	50 P.
Cyprus	400 Mills	500 Frs.	South Africa	6.00 Rand
Denmark	6.50 Dkr.	500 Frs.	Spain	80 Pesetas
Egypt	150 Lira	500 Frs.	Sweden	500 Kr.
Iceland	1500 Kr.	500 Frs.	Switzerland	500 Frs.
Ireland	5.50 Frs.	500 Frs.	Turkey	5000 Lira
Italy	550 Lira	55 Esc.	U.S.S.R.	5000 Rub.
Malta	450 Lira	55 Esc.	U.S.A.	5000 Drs.
Germany	200 D.M.	55 Cents	Turkey	1,500 Lira
Great Britain	35 P.	55 Drs.	U.S.S.R.	5000 Drs.
Greece	45 Drs.	55 Drs.	U.S.A.	5000 Drs.
Iran	135 Rials	170 Rials	Yugoslavia	40 Drs.

Reagan Cautions Envoy to Moscow

**U.S. Stresses Continuation of Policy,
Seeks to Discourage Undue Optimism**

By Leslie H. Gelt
New York Times Service

WASHINGTON — President Ronald Reagan instructed Vice President George Bush and Secretary of State George P. Shultz not to engage in any hostile exchanges with the new Soviet leaders while they were in Moscow and to emphasize that there would be no change in administration policy, administration officials say.

The instructions encapsulated the attitude of the administration as it tries to come to terms with new wielders of power in Moscow. Administration officials said intelligence experts and Soviet specialists in the administration had generally been surprised at how far Mr. Andropov had already gone to establish his ascendancy. Only days before Mr. Brezhnev's death, the intelligence agencies had told Mr. Reagan that power would probably be held by a triumvirate.

Several intelligence experts are now said to contend that Mr. Andropov could not have gotten so far so fast without making deals with the KGB, which he headed until last spring, and with leaders of the armed forces.

Administration officials said Mr. Reagan was eager for improved relations with Moscow, but he wanted his representatives to make clear that better relations

NEWS ANALYSIS

can come only if the Soviet Union first moderates its behavior.

Key administration officials said Monday that they and Mr. Reagan were far more concerned about sending Moscow the wrong signals than about missing historic opportunities.

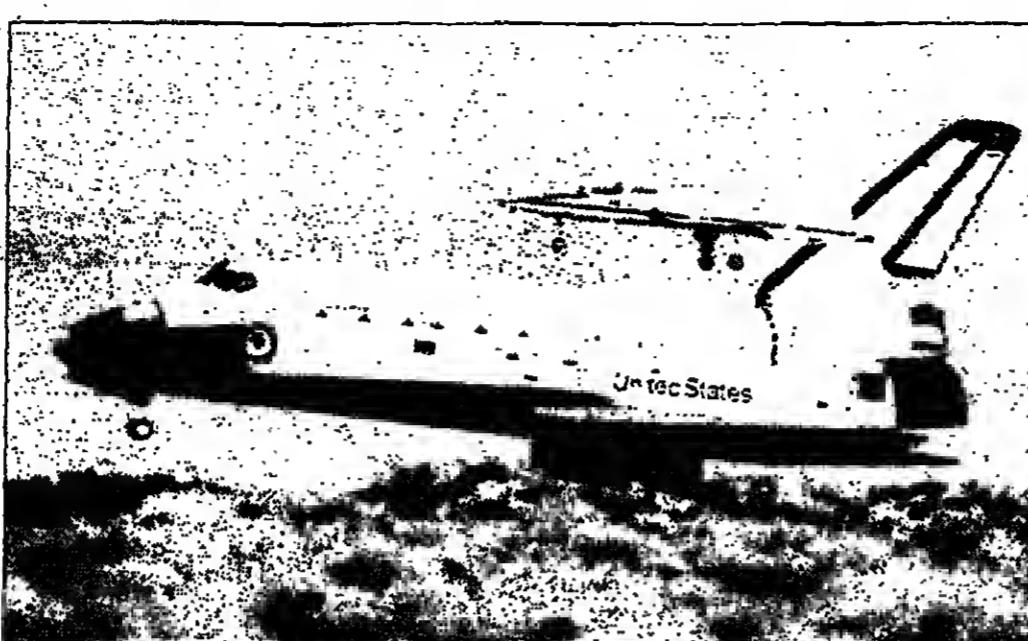
In fact, there is considerable waviness about talk of breakthroughs and great opportunities that might attend the change of power in the Kremlin. All the optimistic talk gives administration officials several problems.

They do not see any sign that Yuri V. Andropov, the new Communist Party leader, will pursue a more moderate course than his predecessor, Leonid I. Brezhnev. Yet they do not want to look as if they are passing up any chances for a breakthrough.

They are prepared to enter the spirit of the moment and omit tough talk. At the same time, they are concerned that any hint of sweet talk would give the wrong impression that the president might be changing course.

They want Mr. Reagan to be seen as a man of peace. Yet they fear that giving any indication that better relations are around the corner would undercut administration plans for further large increases in military spending.

The prevailing view in the administration is that there will be no



The space shuttle Columbia, in a perfect landing, touched the runway at Edwards Air Force Base in California at the end of its fifth space mission. It was accompanied by a NASA chase plane.

Columbia Shuttle Completes Its First Operational Flight

By Thomas O'Toole
Washington Post Service

EDWARDS AIR FORCE BASE, California — The four astronauts who made the first operational flight of the space shuttle Columbia returned to Earth Tuesday to the cheers and plaudits of a delighted space agency.

"We don't do them any better than this," James M. Beggs, administrator of the National Aeronautics and Space Administration, told the astronauts when he greeted them Tuesday morning. "Your four men were magnificent."

At the same time, some administration experts continue to maintain that Mr. Andropov's clear hold on power remains to be demonstrated. "All the shoes haven't dropped yet," said Helmut Sonnenfeldt, a senior Soviet affairs specialist in the Nixon and Ford administrations.

They do not want to look as if they are passing up any chances for a breakthrough.

But senior officials went out of their way to dampen speculation about breakthroughs.

For example, when Mr. Reagan imposed the sanctions on companies selling oil and gas equipment for the Trans-Siberia pipeline, he said he would lift them when conditions improved in Poland. He could have cited the release of Lech Walesa, the leader of the independent trade union Solidarity, as a reason for lifting the sanctions Saturday. Instead, he justified the removal by saying he was imposing even sterner measures.

"We deliver," said Mr. Brand as Columbia's nosewheel touched down 1300 feet beyond the runway's threshold and right where he had targeted the landing.

"We deliver" has been the motto for this crew since they delivered two \$50-million communications satellites, one for a Canadian and one for a U.S. company, from Columbia's cargo bay to what will be their stations in orbit for at least the next 10 years. Delivery of the satellites at half the cost it takes to put satellites into orbit any other way was the goal of this flight and is one of the overriding reasons for the shuttle program.

"The good news here is that the U.S. space transportation system is operational," said William B. Lenoir, an astroaut, who together with Mr. Brand, Colonel Robert F. Overmyer and Joseph P. Allen made up the crew for this flight. "Our motto is: 'We deliver' and we'd appreciate it if you spread the word."

Which is just what the shuttle commander, Vance D. Brand, said as he landed the 100-ton spaceship on the concrete runway at Edwards at 6:33 A.M., four minutes after "aft."

"We deliver," said Mr. Brand as Columbia's nosewheel touched down 1300 feet beyond the runway's threshold and right where he had targeted the landing.

The one thing that marred the flight was the failure of Mr. Lenoir and Mr. Allen to take the spacewalk they had trained to do. Flight directors Tuesday were still at a loss to explain why the astronauts lost both astronauts were suffered failures just before they were to walk in space Monday.

"We don't know what happened yet," General Abrahamsen said Tuesday. "As soon as we get those suits back to Johnson [the Johnson Space Center in Houston], we'll start an investigation of what went wrong."

According to General Abrahamsen, the crew of the next shuttle flight, in the first week of February 1983, will take the spacewalk that Mr. Lenoir and Mr. Allen did not. If that is hurrying things too much, the general suggested, then the walk will be done on the seventh flight, in April.

"Our flight crew training time is a very precious resource," General Abrahamsen said. "The crew of the next flight is already training for that flight and the timeline for that flight is crowded. But I'm very willing to extend the mission to get those suits tested and I think we can easily extend a day or two if that's necessary."

The next space shuttle to fly will be Challenger, the second of a fleet of at least four of the winged rocket planes. It is to be towed to the rocket assembly building at Cape Canaveral, Florida later this week in preparation for its February launch.

INSIDE



LEADERS MEET — President Ronald Reagan and Chancellor Helmut Kohl of West Germany confer at the White House. Mr. Kohl, who arrived in the United States Sunday, met Tuesday with congressional leaders. Page 2.

■ In its first 21 months in office, the Reagan administration has taken several actions that reduce the information available to the public about the operation of the government. Page 4.

■ Poland's military government said the release of Lech Walesa was part of a government plan aimed at lifting martial law next month and criticized "paranoid" speculation over the Solidarity leader's future. Page 2.

■ The newly nationalized French electronics group of Thomson Brandt reportedly believes it is close to an agreement to take control of Grundig, the West German electrical concern. Page 9.

A Christian Democrat, Fanfani, Asked to Form An Italian Government

By Henry Kamm
New York Times Service

ROME — Amintore Fanfani, a 74-year-old Christian Democrat who was prime minister four times in the 1950s and 1960s, was named Tuesday to try to form Italy's 43d government since the founding of the republic in 1945.

Mr. Fanfani, who is president of the Senate, told President Sandro Pertini that he reserved acceptance until he could explore the possibility of forming a cabinet in "the present well-known difficulties."

Prime Minister Giovanni Spadolini resigned Saturday because his five-party coalition had exhausted its ability to cooperate.

Mr. Fanfani faces the same problem that twice brought down Mr. Spadolini's identical cabinets, which governed for 16 months. His Christian Democratic Party, with 38 percent of the seats in the Chamber of Deputies, must cooperate with the Socialists, who had almost 10 percent, for a workable majority.

However, in the face of Italy's deepening economic difficulties and growing partisan rivalry, the two parties have taken increasingly divergent approaches on economic strategy and developed personal strains among their leaders.

Mr. Spadolini, Italy's only post-war prime minister not to be a Christian Democrat, remains to a caretaker role. Mr. Pertini's choice of Mr. Fanfani is seen here as the chance of lasting.



Amintore Fanfani

Socialist president's attempt to stall off the increasing likelihood that the present parliament, whose mandate runs until 1984, may have to be dissolved much earlier.

Mr. Fanfani is considered somewhat above party politics and may choose a cabinet that emphasizes technical skills rather than party loyalty. Most politicians and commentators have concluded that the present parliament is unlikely to produce another government chosen on partisan criteria that has a chance of lasting.

He said that the crisis had originated primarily from a sense of inability to govern and control "a difficult economic and financial situation, which is getting worse." After listing the symptoms of the crisis — imbalance between revenues and public spending, a rising inflation rate, unemployment and a drop in real wages — Mr. Craxi said the Socialists were ready to play a constructive role in any possible form, "if any form is possible."

Jürgen Ponto in July 1977 and in the kidnapping and murder of Hanns-Martin Schleyer, West German industrialist, in September 1977.

The Wiesbaden office said at first that a second man was being sought after escaping from police, but a later statement from the Karlsruhe office said without explanation that no second man was involved, and spokesmen refused comment on the erroneous report.

Police had declared the three — along with Inge Vielt, who is still at large — to be the most wanted members of the terrorist group founded by Andreas Baader and Ulrike Meinhof in the early 1970s.

A statement from the Federal Criminal Office in Wiesbaden said police had seized an unidentified man armed with a pistol and carrying false identification in a wood outside the small village of Friedrichsruhe, south of Hamburg.

The Karlsruhe spokesman later confirmed that the man was Mr. Klar.

He was arrested as he approached another arms cache.

Mr. Klar is suspected of taking part in the murder of banker

Wiesbaden office said.

West Germany Arrests 3d Suspect Linked to Baader-Meinhof Group

KARLSRUHE, West Germany — Police arrested Christian Klar,

— Police arrested Christian Klar, as what is being leader of the Baader-Meinhof group, in a woods just south of Hamburg on Tuesday, a spokesman for the federal prosecutor's office said.

Mr. Klar was arrested less than a week after Adelheid Schulz, 27, and Brigitte Mohnhaupt, 33, were seized as they approached a weapons cache outside Frankfurt.

Police had declared the three — along with Inge Vielt, who is still at large — to be the most wanted members of the terrorist group founded by Andreas Baader and Ulrike Meinhof in the early 1970s.

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Wiesbaden office said.

Colonel Qaddafi also sharply criticized the United States, he was critical of a founding principle of the OAU — the inviolability of borders inherited from colonial days. Without this rule, many of the continent's countries would not exist as they do today.

There was no official comment Tuesday on his keynote address, but delegates said Colonel Qaddafi appeared determined to chart a radical course compared with the OAU's past image of moderate consensus. He is expected to be its chairman until the next OAU summit conference, which is scheduled for Guinea in May.

Some officials said they were surprised that Colonel Qaddafi was so outspoken after the difficulties experienced in arranging the meeting. The present ministerial session and the summit conference that follows were scheduled to be held in July and August.

But the meetings collapsed when 21 nations boycotted the conference to protest the presence of the Polisario guerrilla front, which is fighting Morocco for the independence of Western Sahara, the former Portuguese territory that has been absorbed by Morocco.

The current session is taking place because of a decision last month by the Polisario's Saharan Arab Democratic Republic to withdraw from the talks, ending the boycott by Morocco and its allies.

Mr. Qaddafi criticized countries that attended a Francophone African summit conference in the Zairean capital of Kinshasa last month and boycotted the Tripoli meetings.

He described their participation at Kinshasa as "a contradiction with the independence and freedom of the African countries," and "a provocation and insult" to African countries.

Without mentioning Zaire by name, he also assailed President Mobutu Sese Seko for restoring diplomatic relations with Israel. Most African countries severed ties with Israel after the 1973 Middle East war.

"We, as Africans, should support the struggle of our Arab brethren in Palestine for the liberation of their land, not the recognition of their enemy," Colonel Qaddafi said. This issue is expected to be one of the main themes of his chairmanship.

3 U.S. Citizens Flown to Zambia For Prisoner Swap

The Associated Press

LUSAKA, Zambia — Three U.S. citizens held prisoner in Angola arrived in Lusaka Tuesday in a Red Cross plane, part of an exchange for three captured Soviet military men, a Zambian government official said.

The swap also involved a Cuban and about 90 Angolan soldiers held by South Africa, the return of the bodies of three South African soldiers from Angola and the release of a Roman Catholic archbishop held by Angolan guerrillas.

Two of the Americans, Gary Acker, 38, and Argentine-born Gustavo Grillo, 36, fought as mercenaries for the pro-Western forces in the civil war that engulfed Angola after it gained independence from Portugal in 1975. They were captured in 1976 by the victorious Marxist troops.

The third American is Geoffrey Tyler, 32, a pilot who made a forced landing in his light plane in the Angolan bush in 1981.

Two of the Soviet prisoners, both airmen, were captured in Angola two years ago by guerrillas fighting the Soviet and Cuban-backed government.

Russia, Offering Expanded Trade, Asks U.S. to Renounce Sanctions

By Sergei Schmemann
New York Times Service

MOSCOW — Senior Soviet trade officials told U.S. business leaders Tuesday on their first large-scale foray into Moscow in four years that Washington would have to renounce trade sanctions if U.S. Soviet trade is to revive.

Lifting of Martial Law Is Linked by Warsaw To Freeing of Walesa

United Press International
WARSAW — Poland's military government said Tuesday the release of Lech Walesa was part of a government plan aimed at lifting martial law next month and it criticized "paranoid" speculation about Mr. Walesa's future.

Jerzy Urban, a government spokesman, said at a news conference that the Solidarity union leader was just a private citizen, but he hinted that the authorities hoped he might eventually play a role in mediating between the government and its opponents.

"Since Dec. 13, the authorities have declared that martial law will be lifted when it is possible, when things have calmed down, when Lech Walesa is released and is not longer a threat to internal security," Mr. Urban said.

"Nov. 13 was the first 13th of a month when there was no protest," Mr. Urban said, adding that "leafleting is ceasing and we are entering a more fortunate period."

The fact that Mr. Walesa's release was greeted with calm proved the point, he said. "If we had expected otherwise he would not have been freed."

He said 1,000 other people were still interned and said they would not necessarily be freed before martial law was lifted.

Mr. Urban said Poland's parliament was likely to vote on whether to lift military rule at its next scheduled session on Dec. 13. That is the anniversary of the imposition of martial law.

Mr. Urban said: "Mr. Walesa had not met with Polish leaders since his release and he said no meetings were immediately foreseen. The number of speculations on Walesa has reached the paranoid state," he said.

"Walesa at present is a private person," he said, adding that his future role was "imponderable."

Mr. Urban confirmed that Mr. Walesa was interviewed by Polish television when he was released last weekend after 11 months of detention. The interview was not aired, Mr. Urban said, because the government "did not want to create a somewhat difficult situation for Walesa."

Many Poles regard people appearing on the state-run television as "collaborators" with the regime. The interview "was made after

he was isolated, without contact with his advisers," Mr. Urban said. "Later, he could say he had wanted to think things over."

He referred to the case of Jan Kulaj, the leader of the farmers union known as Rural Solidarity, who was discredited in the eyes of many Poles after giving an interview after his release from internment in April. Mr. Kulaj later retracted many of the statements.

Since his release, Mr. Walesa has made only cautious, balanced statements, insisting he had been isolated too long to make specific pronouncements. He has not mentioned the Solidarity union, which has been outlawed by the government, and described himself as having to choose his way as carefully as if he were walking a "greased tightrope."

■ Greece Asked to Mediate

Wojciech Jaruzelski, the Polish leader, has asked Prime Minister Andreas Papandreou of Greece to mediate between his government and the West to prevent economic sanctions and severe economic support for Poland. Greece's state-controlled news organizations reported Tuesday.

The New York Times reported from Athens that senior government sources had confirmed the report. Mr. Papandreou accepted the proposal after General Jaruzelski assured him that he would proceed with restoring a measure of civil liberties in Poland, the sources reported.

General Jaruzelski told Mr. Papandreou that martial law would be ended by Jan. 15.

The Athens News Agency and the state-controlled radio network said the plan was made by the Polish leader during a 40-minute meeting with Mr. Papandreou in Moscow on Monday. The two leaders were in the Soviet capital to attend the funeral of Leonid I. Brezhnev.

Mr. Papandreou also accepted the Polish leader's invitation to visit Warsaw after martial law was lifted. This would apparently make Mr. Papandreou the first Western leader to make such a visit, and would further emphasize his insistence on following a more conciliatory line toward the Polish government than other Western countries.

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The interview "was made after



Queen Elizabeth II of Britain gestured with open arms Tuesday while welcoming the Dutch royal couple to London. To the queen's left is her husband, Prince Philip, and to her right are Prince Claus and Queen Beatrix of the Netherlands. The man at the right was not identified.

Dutch Royal Couple Begin British Visit

Reuters

LONDON — Queen Beatrix of the Netherlands sailed up the River Thames in a Dutch guided-missile frigate Tuesday to begin a four-day state visit to Britain.

Queen Beatrix and her husband, Prince Claus, were greeted at Westminster Pier, adjacent to the houses of Parliament, by Britain's Queen Elizabeth II and her husband, Prince Philip.

Dutch Embassy officials said Queen Beatrix arrived by ship to illustrate the fact that Britain and the Netherlands are maritime nations of long standing. Queen Beatrix traveled on board the frigate De Ruyter as far as Greenwich in east London, where, accompanied by Britain's Prince

Charles, she boarded a launch for the last few miles.

Queen Beatrix was to be entertained by Queen Elizabeth at Buckingham Palace Tuesday night and by Prime Minister Margaret Thatcher on Wednesday. Queen Beatrix is to give a banquet to Queen Elizabeth on Thursday.

Prince Claus, 56, is making his first official trip since he left a Swiss clinic Oct. 28 after being under observation for what a Dutch government spokesman described as "complaints of a depressive nature."

The spokesman said that the prince would follow a restricted schedule during the state visit because "his condition is not yet such that he can take part in all items on the program."

Kohl Says He Will Win Election And End Doubts on Missile Plan

Reuters

WASHINGTON — Chancellor Helmut Kohl of West Germany told U.S. congressional leaders Tuesday that he expects to win an election in March and end doubts about Bonn's commitment to accepting new NATO missiles next year.

Mr. Kohl said his election strategy would be to blame the opposition Social Democratic Party for West Germany's economic ills and to stress the need for a stronger NATO alliance, according to Senator Richard G. Lugar of Indiana, who attended the meeting.

Mr. Lugar, a Republican, said that Mr. Kohl anticipated an election victory and a strong move toward implementing the missile decision.

The North Atlantic Treaty Organization's 1979 decision to deploy new missiles, if arms control talks with the Soviet Union are not successful, has sparked intense opposition in West Germany and other European countries. This has in turn led to expressions of concern by the United States that missile deployment might be canceled.

"The chancellor affirmed that that will not be so," Mr. Lugar said.

After their talks Monday, Mr. Kohl and President Ronald Reagan issued a statement saying they wanted to improve relations with Moscow.

On Monday night, Mr. Kohl said he had suggested to Mr. Reagan that the president meet with the new Soviet leader, Yuri V. Andropov, but only after careful

preparation. Mr. Kohl also said that both he and Mr. Reagan had agreed to strengthen NATO to meet any threat to the Western alliance.

Mr. Kohl, whose visit was intended to enhance U.S.-West German relations, said that goal was made easier by Mr. Reagan's decision, announced Saturday, to lift U.S. sanctions against companies

involved in building the Soviet gas pipeline. The sanctions had angered West Europeans.

Mr. Reagan said Saturday that the allies had reached agreement on replacing the sanctions with a pact to avoid trade that would give the Soviet bloc military or strategic advantages. Mr. Kohl said he supported Mr. Reagan's statement, but he would not be specific.

France had said that it is not a party to any such agreement.

At his congressional meeting Tuesday, Mr. Kohl said proposals in Congress to reduce U.S. troop strength in Europe by 20,000 next year would undermine force-reduction negotiations with the Soviet Union. Mr. Lugar said: There are now 355,000 U.S. troops in Europe.

The Senate Appropriations Committee has backed the troop cut proposal, which the full Congress will take up next month.

A sensitive subject during Mr. Kohl's visit has been Bonn's decision, in view of its economic problems, to increase military spending next year by less than 1 percent after taking inflation into count.

The failure of West Germany and other allies to meet NATO's target of 3 percent annual real growth in military spending is a sore point cited by backers of the troop cut in Congress.

Mr. Lugar said Mr. Kohl had suggested that West Germany's high unemployment and inflation were impediments to military growth and that he had inherited these problems from the government of Helmut Schmidt.

Italy Suffers Plague of Sophisticated Thieves

Lack of Security Turns Sumptuous Rome Villas Into 'Ghost Houses'

The Associated Press

ROME — "This time they really crushed me. I'm packing and leaving for Paris," Renato Attanasio, an antique dealer, said after being robbed for the third time in a decade.

The thieves, using sophisticated tools, cleared out his elegant antique store on central Via del Corso. In what a detective described as "sheer luck," police later recovered most of the 72-year-old merchant's treasures.

But Mr. Attanasio has had enough. "This is the most beautiful country in the world, but we can't work here any longer," he said. "It's futile to fight against criminals, it's hopeless."

Throughout Rome, at parties and in the workplace, talk of crime has eclipsed food and politics as the dominant subject of conversation.

Dozens of magnificent villas and large houses on Rome's fashionable old Appian Way sit empty

for months, abandoned by owners or rejected by would-be tenants for lack of security. "The fear of theft has turned these beautiful villas into ghost houses," says Edoardo de Sanctis, a real estate broker.

In a recent European opinion poll sponsored by the International Herald Tribune and the Atlantic Institute, 62 percent of the Italians questioned listed crime as the greatest concern for themselves and their country, the highest percentage in Western Europe.

In 1981, Italian police reported 1.3 million robberies, car and apartment break-ins and purse snatching — up from 550,000 in 1970. In the first five months of this year, nearly 600,000 thefts were reported, almost 100,000 of them in Rome, a city of 3 million inhabitants. Police officials say, however, the real figure is at least two or three times higher because many residents do not report thefts.

Police officials say, however, their main concern is the increasing number of professional thieves who go after big hauls in jewelry

using increasingly sophisticated tools and methods and purse-snatchers have become more daring and cunning.

In one recent case an elegantly dressed man got out of his French car near the crowded Spanish Steps and shouted at a young woman as he grabbed her mink coat: "My dear, I told you not to wear the fur coat when you go out alone. Give it to me." The woman screamed, but passers-by told police they thought he was her husband.

Many of the crimes happen at such well-known places as St. Peter's Square, the Colosseum area and on shopping streets of Via Veneto and Via Sistina.

West German Embassy officials reported that more than 2,000 West Germans had their passports stolen last year in the Rome area.

Police officials say, however, their main concern is the increasing number of professional thieves who go after big hauls in jewelry

New Charter Foreseen for Hong Kong

China Debate Expected On 'Capitalist' Clause

Reuters

HONG KONG — China might approve a "capitalist charter" for Hong Kong this month, a Chinese official has told Hong Kong industrialists who are worried about the future of the British colony.

China's parliament, the National People's Congress, soon will discuss a plan guaranteeing Hong Kong's status as a special administrative zone, according to Li Jisheng, an official with the New China News Agency, which acts as an unofficial Chinese diplomatic mission in Hong Kong.

Mr. Li made the remarks to the Hong Kong Factory Owners' Association. Hwang Jen, the chairman of the association, said Mr. Li told him Hong Kong would keep its capitalist system under a new constitutional article to be discussed by the congress, which is expected to meet this month. He said Mr. Li also indicated that Taiwan and the Portuguese enclave of Macao would be designated capitalist special regions under the article.

China has insisted it will regain sovereignty over Hong Kong after 1997, when Britain's lease on most of the territory expires. Speculation about Hong Kong's political future has weakened the stock market and the local currency during the past two months.

Mr. Li made the remarks to the Hong Kong Factory Owners' Association. Hwang Jen, the chairman of the association, said Mr. Li told him Hong Kong would keep its capitalist system under a new constitutional article to be discussed by the congress, which is expected to meet this month.

Pro-Beijing publications have said the constitutional article might define special administrative zones more clearly than a draft published by Beijing earlier this year for discussion by "comparative" in Hong Kong, Taiwan and Macao.



Huang Hua, China's foreign minister, and Andrei Gromyko, the Soviet foreign minister, meeting on Tuesday in Moscow.

Chinese, Soviet Aides Call for Warmer Ties

Reuters

MOSCOW — The Soviet and Chinese foreign ministers met in Moscow on Tuesday in the highest level formal contacts between the two countries in 13 years and agreed that their countries should continue a political dialogue to normalize relations.

The two sides agreed then to start border talks.

Today's meeting climaxed an exceptionally warm reception by the Kremlin for Mr. Huang, who was in Moscow for the funeral Monday for Leonid I. Brezhnev.

Present Soviet moves to end two decades of bitterness and mutual recrimination go back to March 24, when Mr. Brezhnev made a strong appeal to China in a major speech delivered in Soviet Central Asia.

Diplomats said that Tuesday's meeting clearly indicated that the Kremlin leadership attached great significance to normalizing relations with China.

He added that Moscow would strive to move these relations onto the course of "good neighborly."

Mr. Huang was quoted as expressing China's hope that relations would be gradually normalized through joint efforts.

"Mutual consent that a political dialogue between the U.S.S.R. and the P.R.C. should be continued was expressed," Tass said, using the initials for the People's Republic of China.

Official Chinese sources in Moscow said the two foreign ministers met for one and a half hours.

Also present at the talks, which Tass described as "a brief exchange of opinions on matters of mutual interest," was Leonid F. Ilyich, a Soviet deputy foreign minister, who last month held a preliminary round of "talks about talks" with Chinese officials in Beijing.

The last high-level Chinese-Soviet

WORLD BRIEFS

Bush in Zimbabwe to Resume Tour

HARARE, Zimbabwe (Reuters) — Vice President George Bush arrived here from Moscow Tuesday to resume an African tour interrupted by the death of Leonid I. Brezhnev.

He was met at the airport by Deputy Prime Minister Simon Muzorewa and driven to the capital in an armored limousine for a courtesy call on Nolani Makombe, the acting president.

Mr. Bush, who is scheduled to stay in Zimbabwe for two days, will confer with Prime Minister Robert Mugabe who earlier complained about U.S. reluctance to be tough with South Africa over independence for South-West Africa, which is also known as Namibia.

There was no immediate report on casualties in the latest fighting in the central Zimbabwe mountain town.

Fighting Erupts in Lebanese Town

BEIRUT (AP) — Rightist Christian and leftist Druze militia battalions battled Tuesday with mortars and machine guns in the streets of Aley, 7.5 miles (12 kilometers) southeast of Beirut, prompting Israeli troops to enter the town and order a curfew, radio stations reported.

The radios said the sectarian outbreak came to a halt two hours after Israeli armored forces intervened, blaring appeals for a cease-fire through bullhorns.

There was no immediate report on casualties in the latest fighting in the central Lebanese mountain town.

Rebels Said to Escalate Kabul Attacks

NEW DELHI (WP) — Afghan guerrillas escalated their attacks on Kabul last week, bombing four restaurants frequented by Communist Party officials and Afghan secret police and conducting a number of daytime assassinations, Western diplomatic sources and Afghan exiles here said Tuesday.

The attacks were carried out despite tightened security in the capital for two international conferences and reflected an increasing boldness by the Afghan rebels as the focus of the guerrilla war shifts away from the countryside during the winter months.

Diplomatic reports from Kabul said four bombs exploded within 45 minutes in the restaurants, killing 15 to 30 persons. Western diplomats also said that Nur Ahmed Daili, a former deputy minister of transport, was shot to death last week. An armed guard was also reportedly killed, as was the son of the director of the Education Ministry's planning department. And on Nov. 8, six policemen were killed in a clash with rebels in Kabul, the reports said.

Pershing Missile Funds Cut in House

WASHINGTON (UPI) — A House of Representatives subcommittee on defense has voted to cut production funds for the Pershing-2, medium-range missile, which the administration wants to deploy in Europe, the chairman said Tuesday.

The action Monday by the Appropriations subcommittee on defense was the first of several expected assaults on President Ronald Reagan's military spending plan for 1983.



Why the blue box became a bluer chip

On August 30th, American Express became one of the 30 companies that make up the Dow Jones Industrial Index. It is a sign of the times.

QUETLY, smoothly and nearly without notice, a new industry has emerged: it is the financial services industry. Like natural evolution it has been simple, inevitable and born out of need. It is consumer driven.

It is an industry without fire and turbines and smokestacks because its main focus is the management of financial assets.

Its product is information.

Information has become the fuel that drives the economy of America. But the fuel tank is reduced to the dimension of a 264K chip.

The financial services industry is new but already so large and full of future that one is staggered.

One company has been recognized as a leader: American Express. There are reasons.

JUST SINCE you began reading this, American Express has quietly managed to process billions of separate pieces of information that fuel travel and financial transactions.

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information that changes kroners into guilders, figures tax rates in Bermuda and helps put financing together for the ebb and flow of world trade.

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We are proud that our blue box has become a bluer chip.

Reagan Team Has Cut Amount of Data Open to Public on Government Affairs

By David Burnham
New York Times Service

WASHINGTON — In its first 21 months in office, the Reagan administration has taken several actions that reduce the information available to the public about the operation of the government, the economy, the environment and public health.

The actions have included increasing the authority of government officials to classify data, cutting back on the collection of

statistics, eliminating hundreds of government publications and reducing the staff of the National Archives.

As critics increasingly question both the actions and the motives for them, President Ronald Reagan and his aides justify them on many grounds: slashing the cost of government, meeting the requirements of law, improving national security and curtailing what they view as inappropriate promotional activities by the government. The officials also note that

some of their efforts stem from developments that began long before Mr. Reagan entered the White House.

"There is no central directive to cut back on the availability of information, and the effects of the isolated events such as the reduction of publications have not been that great," said Larry M. Speakes, the deputy White House press secretary.

Jonathan Rose, an assistant attorney general involved in the administration's effort to reduce the scope of the Freedom of Information Act, also said there was no unified effort to restrict the flow of information.

Among the critics is Representative Glenn English, Democrat of Oklahoma, the chairman of the House subcommittee on information and individual rights, who said, "It's politics, nothing but pure and simple politics."

"All administrations try to control information for their own political purposes. The difference with the Reagan team is the degree of effort being put into reaching this goal. Mr. Reagan's people want to provide the American people with less information about their activities so they cannot be held accountable."

Some of the actions to control information date from earlier administrations and some were mandated by Congress.

Beginning when President Jimmy Carter was in the White House, for example, Admiral Bobby R. Inman, as director of the National Security Agency, initiated a drive to convince scientists working on information-coding methods that they should not publish their research until the reports had been reviewed by the government.

The effort succeeded; most of the nation's cryptologists are now submitting their scientific papers to the NSA before publishing them.

Admiral Inman, who went on to serve in the Reagan administration as deputy director of the Central Intelligence Agency, also sought to expand the areas in which researchers would allow the government to censor privately financed papers. Too much material, he believed, was reaching the Soviet Union, where it was helping the Communist nation to strengthen its military forces.

Archbishop Hunthausen, who had withheld a portion of his income tax to protest nuclear armament, received sustained applause from his fellow bishops.

Reports from closed discussions indicated that many of the participants registered "significant differences" about how to handle the document. The document is to go through one, possibly two more revisions, based on bishops' criticisms, before being presented to the hierarchy for final action, probably at a specially called meeting next May in Chicago.

bishops must seek "to make reverence for human life a touchstone of our policy and practice in every context."

Differences among the bishops began to emerge in the opening debate when five bishops presented statements of their views.

The most outspoken was Archbishop Philip Hannan of New Orleans, who wanted to scrap the entire statement and "substitute the messages of the holy father," Pope John Paul II. He faulted the proposed draft for its failure to sympathize "with the horrible suffering" of those "enslaved by communism."

"The arguments against the threat of using a nuclear weapon fail to mention the proportionality of the aggression and repression of the Reds," he said.

At the other end, Archbishop Raymond G. Hunthausen of Seattle, an outspoken opponent of nuclear weaponry, wanted the final statement to "call on our people and government to begin to lay down our nuclear arms now, regardless of what others do," and to pledge church support, "materially and spiritually," for individuals who, like himself, practice civil disobedience to oppose the nuclear arms race.

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By Marjorie Hyer
Washington Post Service

WASHINGTON — A number of American Roman Catholic bishops have registered disagreement with the draft of a proposed pastoral letter condemning nuclear warfare.

But as the National Conference of Catholic Bishops began a private debate on the most controversial position paper the group has ever produced, it was not clear whether the majority wants it softened or toughened.

The bishops began their four-day annual meeting Monday by plumping immediately into consideration of the proposed letter that, in its current form, declares immoral any first-strike use of nuclear weapons and holds that a policy of nuclear deterrence is valid only when coupled with aggressive arms reduction negotiations.

"At one level, the question of nuclear war is understood as an issue of politics or diplomacy," said Archbishop Joseph L. Bernardin of Chicago, chairman of the committee that drafted the statement on nuclear war.

But, he said, "because the nuclear issue is not simply political, but also a profoundly moral and religious question, the church must be participant in the process of protecting the world and its people from the specter of nuclear destruction."

The conference president, Archbishop John R. Roach of St. Paul-Minneapolis, devoted his presidential address to a theological rationale for the proposed letter. He linked the bishops' pronouncement on the nuclear issue to their long battle against abortion.

Denouncing "selective reverence for human life" as "a kind of contradiction in terms," he said the

law, which Mr. Carter signed against the recommendations of most major federal departments, requires the Office of Management and Budget to seek to reduce "the existing burden of federal collection of information" by 25 percent by Oct. 1, 1983.

Last month, the House Government Operations Committee released a report that the administration had eliminated or reduced at least 50 major statistical programs on such matters as nursing homes, family growth, medical care expenditures, monthly department store sales, labor turnover, oil imports, collective bargaining and fertility.

Publishing of government information has also been cut. On Oct. 6, Joseph R. Wright Jr., deputy director of the Office of Management and Budget, announced the terminating or consolidating of more than 2,000 federal publications. The list included such topics as improving fuel conservation, counseling alcoholics, poison antidotes and the harmful effects of smoking.

Continuing effort to impose restrictions on research that is not



Supporters rallying outside a political party headquarters in São Paulo on Monday.

U.S. Bishops Debate Letter on Nuclear War

By Marjorie Hyer
Washington Post Service

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Continuing effort to impose restrictions on research that is not

U.S. Looking for Ways to Thwart Tax Evasion by 'Overseas Investors'

By Robert L. Jackson
Los Angeles Times Service

WASHINGTON — As regular

as the seasons, dividend checks and interest payments from U.S. corporations and financial institutions flow out to millions of American stockholders and savers and to thousands of individuals and small investment companies abroad.

But recently, U.S. investigators have begun to discover that some foreign investors are not quite what they seem. Far from being frugal citizens of other countries, many "overseas investors" are actually Americans evading taxes on interest, dividends, royalties and similar earnings.

The loss to the Treasury Department is as much as \$1 billion a year, according to congressional estimates.

In the months ahead, use of overseas tax shields is likely to grow, some officials fear, because of new rules to increase the efficiency of tax collection on interest and dividend income.

Under federal law, Americans

must pay income taxes on dividends and interest earned each year. Since collection of these taxes has never been as effective as taxes withheld automatically from paychecks, Congress last summer passed a law requiring banks, corporations and other institutions to withhold 10 percent of most interest and dividend payments automatically, beginning in July.

However, for many investors who are citizens or residents of the 50 countries with which the United States has a tax treaty, little or no U.S. tax is required.

As a result, investigators say that by posing as a foreign citizen or foreign investment company some Americans can avoid U.S. taxes on interest and dividends almost entirely.

The Treasury Department, fearing that the new U.S. rules will stimulate tax evasion, has stepped up scrutiny of foreign investors. Recently, the commerce, consumer and monetary affairs subcommittee of the House Government Operations Committee completed its investigation into the tax-evasion question.

The subcommittee found that foreign "investment companies" can turn out to be the paper creations of well-to-do Americans. The method affects not only interest income received from U.S. banks and loan associations, the congressional study showed, but also rent and royalty payments originating in the United States.

Normally, U.S. financial institutions are required to withhold for taxes 30 percent of interest and dividend payments to foreign citizens, except for citizens of countries having a joint tax treaty with the United States. For them, the tax owed may be no more than 5 percent and is often nothing.

Congressional and Treasury officials contend that the most popular jurisdictions for withholding tax evasion are Switzerland, the British Virgin Islands and the Netherlands Antilles.

"We do feel the present system needs improvement," Mr. Granwell said.

But the same poll showed the government marginally ahead in two other key states, Minas Gerais and Rio Grande do Sul, although in both cases the margin of victory was less than 2 percentage points.

Alan W. Granwell, the Treasury

Department's international tax counsel, agreed with congressional investigators that the Netherlands Antilles may pose a larger problem for tax evasion than Switzerland.

Negotiations between the United States and the Netherlands Antilles are under way in Washington.

Mr. Granwell said the Treasury Department has served notice on the British Virgin Islands that the United States will terminate the tax treaty on Jan. 1 because negotiations to eliminate tax abuses had broken down. Similar action could be taken against the Netherlands Antilles, he said.

Harold Henriquez, the Antilles' top diplomat in Washington, said no such drastic step is needed. He insisted that the Antilles are much more a center for international finance than a haven for tax dodgers. But under the treaty, tax fraud by individual Americans has grown sharply, congressional investigators said.

Representative Benjamin S. Rosenthal, Democrat of New York, who headed the subcommittee investigation, strongly recommended that U.S. banks and thrift institutions be required to withhold taxes on all interest and dividends paid in the Antilles, Switzerland and the British Virgin Islands.

If the recipients are indeed foreigners, they can obtain written proof from the tax-treaty country and apply to the Treasury for a tax refund, Mr. Rosenthal said. But he believes immediate withholding would eliminate most treaty abuses.

"We have never seen such enthusiastic election participation," Ulysses Guimaraes, president of the Democratic Movement Party, said early Tuesday. "It was a party, a real party of happiness."

Heavy turnout, up to 90 percent in some areas, were reported as voters went to the polls to elect 22 state governors, 25 senators, 479 congressmen and thousands of mayors and town council members.

Young is compulsory and Brazilians traveled by foot, mule, zebra, riverboat, car or bus to get to the municipality where they were registered. The voting passed without violence.

Hungarian Chief to Turkey

The Associated Press

ANKARA — Prime Minister George Lázár of Hungary will visit Turkey Nov. 22-24, the Foreign Ministry has announced.

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U.S. Starts Trial of Ex-CIA Agent Accused of Giving Guns to Libya

By Stuart Taylor Jr.

New York Times Service

ALEXANDRIA, Virginia — The first of four scheduled trials of Edwin P. Wilson has begun here with a federal prosecutor asserting that the former U.S. intelligence agent had provided weapons to the Libyan government in return for money, and a defense lawyer saying that Mr. Wilson had been trying to help the Central Intelligence Agency.

The United States will prove that Edwin Wilson was motivated by greed, specifically his hopes of obtaining an \$22-million contract for weapons and services with the Libyan government of Colonel Muammar Qaddafi, said Theodore S. Greenberg, the chief prosecutor in the case, in his opening statement to the jury Monday in U.S. District Court.

Herald Price Fahringer, the chief defense lawyer, responded, "Mr. Wilson, in good faith, in dealing with the CIA, felt that he had the apparent authority to bring these weapons over there either with or without a license."

He said Mr. Wilson, who had left government service as an intelligence agent to become an international businessman, was in touch with top officials of the intelligence agency and that his deal with the Libyans was to trade an M-16 automatic rifle and some pistols for Soviet military equipment and intelligence information sought by the CIA.

Mr. Wilson, 54, is being held in lieu of bonds totaling \$60 million. In addition to the trial here, he faces one scheduled to begin next Monday in Houston and one in Washington set for January, both in connection with federal charges that he provided weapons and expertise to Libya for terrorist activities.

In a fourth trial to be held in Washington, Mr. Wilson is charged with directing an unsuccessful scheme to assassinate a Libyan dissident in Egypt.

This case, with Judge Richard Williams presiding, is based on an eight-count indictment charging Mr. Wilson with heading a con-

spiracy to smuggle three pistols to Libyan agents in Bonn and with smuggling an M-16 rifle to Libya in 1979, in violation of federal regulations covering the transportation and export of firearms.

Prosecutors have said that one of the pistols was used in the assassination of a Libyan dissident in Bonn in May 1980. If convicted on all eight counts, Mr. Wilson could face a total of 44 years in prison and \$245,000 in fines.

Monday afternoon, prosecutors called 10 witnesses to testify about the mechanics of the purchase and

U.S. Agencies Diverted Volcano Relief Funds

By Ernest Holsendorph

New York Times Service

WASHINGTON — Six federal agencies overestimated the amount needed for relief after the eruptions of Mount St. Helens in 1980 and then channeled that money into other projects, the General Accounting Office has reported.

The Small Business Administration received the largest amount of diverted relief funds, more than \$360 million.

Appropriations totaling \$946 million were made by Congress to federal agencies in September 1980 to cope with the extensive damage caused by volcanic eruptions.

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Such agencies as the Corps of Engineers, the U.S. Geological Survey and the Centers for Disease Control were left to scrounge for funds while others were awash in the surpluses. Most of the agencies with surplus funds spent the money for other disasters or plan to do so, the accounting office said.

"Because nearly all of the appropriated funds have been spent, or at least have not been set aside for the disaster," the accounting office said, "any future Mount St. Helens recovery work will have to be funded through additional appropriations or other legislative action."

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ILO's Push on Rights Reaches Critical Point After Walesa Release

By Ian Guest

International Herald Tribune

GENEVA — Efforts by the International Labor Organization and its member governments to improve human rights in Poland and the Soviet Union are reaching a "critical point" following last week's release of Lech Walesa, the Polish trade union leader.

These efforts have now been under way for almost three years, teetering between gentle persuasion during the rise of the Solidarity trade union and open fury after the declaration of martial law in Poland and the suppression of free trade unions in the Soviet Union.

NEWS ANALYSIS

Last week the ILO again shifted, suddenly and unexpectedly, away from confrontation. Its officials accepted an invitation to inspect working conditions on the controversial Siberian natural gas pipeline, and a key ILO human rights committee recommended "against the establishment of a special commission of inquiry into Poland."

The committee's recommendation will be debated in public on Thursday by the ILO's governing body. Its acceptance is a formality, but it is certain to be controversial.

A commission of inquiry is the agency's ultimate sanction, and it has only launched six in its 63 years of existence, the latest into the working conditions of Haitian sugar workers. But since Solidarity was dissolved, Western trade unions, led by the Brussels-based International Confederation of Free Trade Unions.

In recent months the unions have broadened their campaign within the ILO against both Poland and the Soviet Union on the issues of union suppression and forced labor.

Forced labor is outlawed under ILO Convention 29, which both Poland and the Soviet Union have signed. In August the federation entered a complaint charging that 90 percent of the 100,000 prisoners at work on the pipeline were political prisoners.

If this complaint goes through normal ILO channels it will get a protracted — and public — airing. But some feel it could be diluted by the dialogue between the ILO secretariat and the Soviet government.

Eight ballots were found invalid, but the remaining electors all voted for the single officially approved candidate in each of the republic's 250 electoral districts, the Central Electoral Commission reported. It said the turnout was 100 percent and took place in an atmosphere of "great political and revolutionary enthusiasm."

French Employers Group Withdraws From Unemployment Benefits Fund

Reuters

VIENNA — Only one voter out of Albania's 1,627,959 cast a negative ballot in parliamentary elections Sunday, an official communiqué said Tuesday.

Eighty percent of the voters

Argentina, who both warned of the risks of a complete break with Poland.

But it also appears to have been influenced by the Polish government. The Polish vice minister of labor, Krzysztof Gorski, appeared before the committee and warned that Poland might withdraw from the agency if the inquiry went ahead.

He followed this up immediately, however, with a conciliatory letter promising that Mr. Walesa would be freed at any moment and pointing out that this had long been a key demand of the ILO.

A further factor in the decision is thought to be the fear of a Soviet withdrawal of its recent invitation to visit the Siberian pipeline. The offer is seen here as confirming the ILO's importance as a forum for East-West debate.

It came in an Oct. 25 letter from Vassili Prokhorov, vice president of the central council of Soviet trade unions, inviting the ILO to send a senior official and one or two assistants to examine "conditions of labor and life of Soviet workers" on the pipeline.

The exact details of the mission — how long it will last, and which sites will be visited under what conditions — are now under discussion. These are seen as vital if the ILO is not to be charged with a whitewash.

One aim of the invitation is thought to be to head off growing pressure from Western trade unions, led by the Brussels-based International Confederation of Free Trade Unions.

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In recent months the unions have broadened their campaign within the ILO against both Poland and the Soviet Union on the issues of union suppression and forced labor.

Forced labor is outlawed under ILO Convention 29, which both Poland and the Soviet Union have signed. In August the federation entered a complaint charging that 90 percent of the 100,000 prisoners at work on the pipeline were political prisoners.

If this complaint goes through normal ILO channels it will get a protracted — and public — airing. But some feel it could be diluted by the dialogue between the ILO secretariat and the Soviet government.

Eight ballots were found invalid, but the remaining electors all voted for the single officially approved candidate in each of the republic's 250 electoral districts, the Central Electoral Commission reported. It said the turnout was 100 percent and took place in an atmosphere of "great political and revolutionary enthusiasm."

French Employers Group Withdraws From Unemployment Benefits Fund

Reuters

VIENNA — Only one voter out of Albania's 1,627,959 cast a negative ballot in parliamentary elections Sunday, an official communiqué said Tuesday.

Eighty percent of the voters

Argentina, who both warned of the risks of a complete break with Poland.

But it also appears to have been influenced by the Polish government. The Polish vice minister of labor, Krzysztof Gorski, appeared before the committee and warned that Poland might withdraw from the agency if the inquiry went ahead.

He followed this up immediately, however, with a conciliatory letter promising that Mr. Walesa would be freed at any moment and pointing out that this had long been a key demand of the ILO.

A further factor in the decision is thought to be the fear of a Soviet withdrawal of its recent invitation to visit the Siberian pipeline. The offer is seen here as confirming the ILO's importance as a forum for East-West debate.

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

The Pipeline Pipe Dream

Why did President Ronald Reagan decide to lift his sanctions against European and American companies aiding the Soviet gas pipeline? For all the complicated, divergent explanations, there is one simple, overriding reason: The sanctions did more damage to the West than to the Soviet Union. Though allies may be led, they could not be forced to follow the American effort, misguided from the start. So there is little reason to cheer the president's belated move, welcome as it is.

Secretary of State George P. Shultz deserves much of the credit for the formula that enabled Mr. Reagan to back down without losing too much face. But credit also goes to the European Community and to the countries that took part in the Versailles summit. They found language to paper over the dispute. The French, who made the major fight against concessions, had far more support from their partners than Washington seems prepared to acknowledge.

Mr. Reagan chose to give priority to domestic political needs. He justified lifting the sanctions by claiming that the allies had agreed to "stronger and more effective measures." In fact, as Prime Minister Margaret Thatcher has noted, there are no "fresh commitments" by the Europeans beyond those made at Versailles in June, only some general principles and new studies.

The Europeans remain unwilling to reduce

nonstrategic trade or further to restrict the terms or volume of credit for the East. They rejected U.S. proposals for a no-subsidy policy in trade with the East, pointing out that American grain exports are subsidized. But they did agree to avoid "preferential" treatment for communist countries.

Behind all this lies a fundamental disagreement. The White House and Pentagon deny that they believe the Soviet Union can be "brought to its knees" by economic pressure. Yet they argue that the Soviet economy is so weak that if it is denied Western financial and technological help, the Kremlin would have to divert resources from military to civilian efforts.

We are skeptical. For one thing, sanctions are not merely acts of detached policy; consider also politics, like the farm pressures that led Mr. Reagan to allow grain exports to the Russians. In any case, Western imports represent a tiny fraction of the Soviet gross national product. The Kremlin has always been able to restrict consumption as needed to finance industrial and military investment.

It is tempting to believe that the West can use its economic strength to moderate Soviet conduct. But sanctions like these rarely succeed. They impose a cost few countries will accept. And they strain the Western alliance. This pipe dream is not worth the price.

—THE NEW YORK TIMES.

The Challenge for GATT

At the end of this month, in Geneva, trade ministers from most of the world's governments will convene to begin revising the rules of international commerce. The organization is called GATT, the General Agreement on Tariffs and Trade, and for nearly 40 years it has worked quietly to expand trade by upholding an accepted code of conduct.

I called the coming meeting to renew the momentum toward wider trade. But with the deepening recession, the trend to protectionism is accelerating, and the free-traders have belatedly realized that they are going to have to struggle desperately to keep GATT from backsliding and building more barriers.

World trade has been one of the great engines driving economic growth and raising standards of living since World War II. Total economic output of the industrial countries, taken together, has doubled over the past 20 years. One reason is that, in the same period, the volume of their exports and imports has

risen by 312 times, steadily pushing toward greater national specialization, better use of resources and higher earnings.

But trade, in times of high unemployment, is pure torment to politicians. Foreign imports jeopardize domestic jobs. True, they also usually promise more and better jobs in growing export industries. But in a recession, it is the endangered job that draws attention and sympathy. Future jobs in exports always seem very distant and uncertain. New industries, full of self-confidence, look to themselves. But the dying elephants all come trailing lugubriously to Washington.

The ministers at Geneva are going to have to wrestle with a paradox carrying enormous consequences: The protection of industries kills economic growth. They are going to have to keep losing some jobs at home to imports if the industrial countries are ever going to cut their unemployment rates.

—THE WASHINGTON POST.

Argentina's 'Reappeared'

After the war in the Falklands, sun and shadow contend in Argentina. A discredited junta is doing what it should have done years ago: agreeing to yield power to civilians. Political argument has revived, and even Peronists no longer seem so demagogic. Elections are promised for March 1984. Political parties are back in the sunlight where they rightfully belong.

But something else is also coming to the revealing light of day: some 1,500 unidentified bodies remain of a state of siege when at least 6,000 Argentines "disappeared." They are the presumed victims of a wave of terrorism that followed the downfall of President Isabel Peron in 1976. The darkness cannot truly lift until a way is found to identify the dead — and their killers.

—THE NEW YORK TIMES.

Other Opinion

Jaruzelski's Gamble
Since Mr. Waless has firmly ruled out any negotiation on his part, a settlement acceptable to both sides will be far from easy. In view of Mr. Waless's tremendous emotive hold on the Polish mind, his release itself might unleash forces that have been dormant over the past year. General Jaruzelski's latest move looks like a bit of a gamble.

—The Statesman (Calcutta).

Pipeline Differences

From the beginning it was clear that Mr. Reagan had made a bad move. The embargo, which resulted from a personal decision of the president taken against the advice of most of his counselors, caused more harm to that which it was supposed to have reinforced — the cohesion of the Atlantic alliance — than to the Soviet Union, which it was supposed to have punished.

Everyone realized that the officially stated reason — the military coup in Poland — was only a pretext that the hardliners in the president's entourage seized upon to push their ambitious goal: bringing the Soviet Union "to its knees" by aggravating its economic difficulties and cutting it off from its sources of foreign currency.

European countries do not share this ob-

jective. They opposed it even more strongly because the American president granted to his farmers, in authorizing large-scale grain sales to Moscow, the advantages that he denied to exporters of pipeline equipment. But among the exporters were his own industrialists. One might suspect that their opinion was a determining factor.

—Le Monde (Paris).

The GATT Talks
Real danger exists that the ministerial meeting on the General Agreement on Tariffs and Trade in Geneva next week will end in a fiasco. That would be a black day for the orderly conduct of world trade, but the risks involved in looking the other way as a ragtag collection of individual protectionist measures comes into force are even greater.

We must, therefore, hope that the ministers will produce more than anodyne statements rendering lip service to GATT's principles of nondiscrimination and increasingly free trade, but which leaves everyone free to carry on much as before. If the industrialized world keeps raising the barriers against imports, its export markets will soon dry up and its focus to developing countries will go from bad to worse — not to speak of the prospect that poverty among the poor countries will be unnecessarily prolonged.

—The Financial Times (London).

NOV. 17: FROM OUR PAGES 75 AND 50 YEARS AGO

1907: Terrorists Held in Berlin

1932: She Wanted to Be Alone
PARIS — The police have arrested in a Berlin boarding house a Russian terrorist who has given his name as Michael Mirsky. In his possession were enough dynamite and nitroglycerine to blow up four city blocks. The explosives were hidden in a trunk with a double bottom. Mirsky had a large amount of money on his person and the police believe that he had been supplied with both money and the explosives by a Russian anarchist to enable him to perpetrate some very big outrage. As a result of the examination of the papers found in Mirsky's rooms, two further arrests were made this evening. These two companions, however, deny all knowledge of Mirsky's plans.

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The French Fire Behind the Pipeline Smoke

By Flora Lewis

PARIS — President Ronald Reagan's decision to lift sanctions on European allies involved in the Soviet gas-pipeline deal had nothing to do with Leonid I. Brezhnev's death or Lech Walessa's release from internment.

But the French suspect he aimed the announcement so that those two events might distract attention from Washington's reversal of a bad foreign policy decision. So, in irritation, Paris proclaimed it was not party to any new allied agreement on East-West trade and that Europe had not made any new concessions, as Mr. Reagan claimed.

All this is smoke, and there is a fire but not quite the kind it appears to be. There is an abrasiveness now in French-American relations that seems as bad as at any time in the Gaullist period. It is not due to any specific issue or incident, but to a mood of suspicion and political sensitivity on both sides.

The other European allies were just as aware as the French that the White House was seeking a face-saving way out of the pipeline blunder for domestic reasons. They went along with it as a favor, but President François Mitterrand, who already has plenty of trouble in France, refused — presumably because he has now come to feel he looks better at home being snippy rather than accommodating to President Reagan.

This kind of nonsense fuels suspicion that Washington really does seek economic war with Moscow. That makes Europeans less, not more, secure about their future.

The underlying issues, which are not just between France and the

United States but between the United States and its Western partners, go much deeper. They remain the long-range questions of how to deal with the Russians and, indeed, whether the United States is capable of sustaining their people live better.

The always enigmatic start of a new era in the Kremlin sharpens the Europeans' sense that it is foolish to be too dogmatic about the Russians. For a chance of success in the coming allied studies of East-West trade, both the United States and the allies would have to bend.

The French are not opposed. Ground rules would also help them avoid cutthroat competition and bad debts. Nor do they oppose the view that helping the Soviet military buildup with sensitive technology helps Moscow militarily. They claimed that microcircuits from U.S. toys had been found in Soviet anti-submarine buoys, according to one report. The obvious retort is that either the United States should not let its toy makers use military secrets or it should distract the Russians with electronic games.

This kind of nonsense fuels suspicion that Washington really does seek economic war with Moscow. That makes Europeans less, not more, secure about their future.

Further, there is a moral as well as

a political-military qualm about the idea of trying to stifle the development of such a vast country as the Soviet Union until it changes its system. The Russians are stifling themselves for lack of reform. But who can predict that they would be meaner rather than less threatening if their people live better?

As George F. Kennan, the former U.S. ambassador to Moscow, said recently: "The attempt to prevent or set back the entire economic development of another people has no place in the politics of a democratic state in times of peace. These are means for preparing a new war, not the means for preventing one."

The virtual state of siege imposed on Moscow during Mr. Brezhnev's funeral surely reflects the leadership's fear of loss of control over a disgruntled population at a time of uncertainty. Western stability, resting on democratic consent, should be a source of confidence that disisks worries about spreading toy technology.

The current flap about getting out of the pipeline sanctions is a minor flurry of politicians' pride. The serious question ahead, unresolved both within the Reagan administration and the alliance, is to decide when business with the East bloc is reasonable business, when it is tricky politics, and how to establish a sound policy of trade but not aid.

The New York Times.

Letting Mr. Begin Go Gently

By Joseph Kraft

WASHINGTON — A series of hammer blows has suddenly struck the government of Menachem Begin. The ruling coalition in Israel has now been weakened to the point where it might not survive the year.

The American interest is to let Mr. Begin go gently. That means working with the Israelis where feasible, while avoiding the confrontations that practically force the prime minister to dig in behind new redoubts of internal support. The inquiry into the Beirut massacre presents the "minor, weighty threat" to the Begin government. The study is going forward with an impartiality and thoroughness unknown in most countries.

In particular, the cloak of national security is not being used to obscure unpleasant facts. Defense Minister Ariel Sharon, in his testimony, was repeatedly refused when he requested that, for reasons of national security, the hearings be made secret. The conclusions of the commission, of course, remain to come. But the prime minister has persistently denied any awareness of the massacre. Military officers have testified to their advance apprehensions.

So responsibility bears down on the man who was the crucial link between the military and the civilian authorities — Defense Minister Sharon. Mr. Sharon's position is further weakened by the explosion that blew up an Israeli-occupied building in the Lebanese city of Tyre last week. The death toll included 75 Israelis. That increases by nearly a fifth their total number of fatal losses in the Lebanon campaign. It thus emphasizes the cost of that operation, and makes it increasingly unlikely that Mr. Sharon can continue in office. The departure of Mr. Sharon would at a minimum entail a major reshuffle of the cabinet.

In view of the government's narrow majority in the Knesset, and the number of splinter parties, the likelihood is that a cabinet shift would lead to new elections. That, in turn, would make all kinds of combinations possible. More immediately, the discrediting of Mr. Sharon has eliminated him as a possible successor to Mr. Begin.

Mr. Begin had been strongly against passing on the mantle to the defense minister. With that danger discounted, he can think more easily about his own retirement. The recent death of the prime minister's wife comes into the picture at that point. The couple were exceptionally close. Had she lived on, bedridden, there is a good chance he would have resigned to be at her side. Even now it is a question whether he will continue to hold office long.

The last thing the United States wants to do is to force Mr. Begin to hang on. But that is precisely what would happen if those Americans who want to punish Israel for the Lebanon invasion, or the massacre, or something else, have their way. For their way involves confronting the Israelis on the matter of dealing with the Palestine Liberation Organization, or on West Bank settlements.

But at this point such confrontation puts the order of issues upside down. The immediate requirement is to bring King Hussein into negotiations on the future of the West Bank. Once that happens, no Israeli leader, not even Mr. Begin, can stay out.

In that context, progress on the PLO and the settlements comes readily. Until then, however, Mr. Begin will just turn combative and carry on with increased support. He will make other Israeli leaders look like traitors. In the meantime, however, Lebanon offers plenty of other business for the United States to do with Israel. The government of President Amin Gemayel has been given plenary powers by the parliament. A multinational force, with a U.S. contingent, assures the government's sway in and around Beirut. The Lebanese Army is being re-equipped and trained by American instructors. It should soon be able to take over the sector of southern Lebanon that Israel considers vital to its security.

When that happens, there is removed one of the two major obstacles to Israeli withdrawal from Lebanon. The second major obstacle is the presence of Syrian occupation troops in Lebanon. The Lebanese have asked the Syrians to get out, and the Syrians have said they will, provided the Israelis leave first. Philip C. Habib, President Ronald Reagan's personal negotiator, has been in touch with President Hafez al-Assad, and he believes the Syrian leader wants to get out.

So the problem is to organize a concerted Israeli-Syrian withdrawal — which is precisely the kind of diplomatic operation in the Middle East. Ridding Lebanon of the occupation by Israel and Syrian troops is front and center. Once that is achieved, everything else becomes much easier. Especially, if the government of Israel, with its formidable negative powers, has been softened.

LETTERS TO THE EDITOR

Cuba in Reverse

Regarding "NATO Must Bolster Its Arms in Fight for Opinion" (HT, Nov. 9): Too bad NATO leaders do not have a look in their own mirror.

NATO's plan for deploying Pershing-2s at West German sites in 1983-84 are basically the mirror image of what the United States found totally unacceptable in Cuba in 1962.

But for the Soviet Union this new situation will be even more intolerable. Pershing-2 missiles, launched from West Germany, can penetrate the Soviet heartland in five to twelve minutes. Moreover, they have an innovative "hard-target" kill capability" and near pinpoint accuracy. This means that the Polburo and the KGB as well as every major Soviet command and communications center will be under continuous threat.

The Soviet Union does not have

any comparable possibility of placing in jeopardy the main U.S. command and communications centers, or of "nuking" the U.S. heartland with even roughly similar accuracy.

E. FIELD HORINE

Constance, West Germany

A Legal Difference

Regarding "Our Moral Responsibility for the Beirut Massacre" (HT, Nov. 9): Louis Nizer complains that Israel, which he likens to a policeman, is denounced for not being preventively alert in Beirut.

As a lawyer, I'm sure Mr. Nizer knows the difference between a policeman and an accessory before the fact. The man who facilitates a crime is just as guilty as the one who pulled the trigger.

J.C. DIXON

Paris

A Different Kind of Economic Summit Is Needed

By Lester Thurow

INSIGHTS

Andropov's KGB Expanded Its Functions and Fine-Tuned Its Methods of Repression

By Richard Bernstein

New York Times Service

NEW YORK — During the years that it was headed by Yuri V. Andropov, the KGB consolidated its internal-security role remained one of the most pervasive and institutions in Soviet society. In 15-year tenure of Mr. Andropov, the Communist Party leader, was not marked by the mass terror of much of the Stalinist era under him, the institution expanded its functions and became a more sophisticated effective means of enforcing near-absolute control.

The initials KGB stand for the Russian meaning Committee for State Security, the organization is charged with protecting the Soviet regime from its real or imagined enemies abroad as well as at home.

The KGB, which has had different names in past, is a peculiarly Russian institution sprang directly from the Okhrana, the secret police of the czars, and has been at the center of power in the Soviet Union since the revolution. Stalin used it to arrest, send millions of people to death or on camps in the 1930s.

After Stalin's death in 1953, Nikita S. Khrushchev tried to eliminate terror as an instrument of the state and to require the security police to abide by more legal procedures.

Lev P. Beria, the head of the NKVD, as agency was known at the time, was executed at the end of 1953 in a power struggle, and vast network of forced labor camps set up by Stalin was partly dismantled.

Problem for Khrushchev

A celebrated secret speech to the Central Committee of the party in 1956, Khrushchev denounced Stalin and many of his methods. Khrushchev went too far for conservative bureaucrats who respected Stalin's methods, according to experts on the Soviet Union, not far enough for those who favored him. After Khrushchev was deposed in 1964, the KGB began to regain some of its power, if not its power to decree the fate of millions of Soviet citizens.

Mr. Andropov, who had been a party official in charge of monitoring relations with foreign Communist parties, became director of KGB in 1967.

He balanced very cleverly, avoiding the excesses of mass terror on the one hand and, the other, effectively suppressing dissent.

Professor Adam B. Ulam, director of the Soviet Research Center at Harvard University:

"Mass terror was discarded, but political repression continued."

The KGB exists now as a huge, intrusive bureaucracy with an elaborate network of staff, informers, means of technological surveillance, prisons and psychiatric hospitals that operate swiftly and effectively against virtually any Soviet citizen who departs from communist Party orthodoxy.

In the Stalinist 1930s, the number of labor camp prisoners was estimated at 12 million; a number of political prisoners now is probably in the tens of thousands.

Violence Is Less Common

Soviet citizens and émigrés have reported at interrogations by the KGB how tend to be correct and that violence is less common in Stalinist days. The KGB also more often than not provides a legal reason, or at least appearance of a legal reason, for an arrest or interrogation.

It was under Mr. Andropov that the KGB ushered virtually the entire dissident movement. For example, it imprisoned most of the members of the so-called Helsinki Monitoring group, which was established in 1976 to monitor Soviet practices in human rights.

More recently, the KGB harassed out of existence the founders of a citizens' committee in

Moscow that opposed the arms race. It jailed at least one of its members, called in others for frequent interrogations and confined its founder to a psychiatric hospital.

It also took charge of industrial and technical espionage and, according to some reports, of training foreign terrorist organizations. Unlike Western police forces, the KGB is also in charge of Soviet intelligence operations abroad and is responsible for Soviet defense.

How far the Soviet Union has come since the Stalin era, and how far it still has to go, can be seen in the treatment of Andrei D. Sakharov, the Soviet physicist and dissident. Mr. Sakharov, a member of the Soviet Academy of Sciences and a man three times decorated with his country's highest civilian award for his work on the hydrogen bomb in the early 1950s, became an outspoken and internationally known advocate of human rights in the 1960s and 1970s.

Exile to Cork

In January 1980, KGB men abducted him from his car, bundled him aboard a plane and exiled him to an apartment in the city of Gor'ki, 250 miles (400 kilometers) east of Moscow, where no foreigners can visit him.

His notes and manuscripts have been taken, and he has been both physically and verbally harassed, all without any legal basis for his exile ever having been given. He was not charged with a crime or imprisoned, and it is likely that somebody as openly critical of the authorities as Mr. Sakharov would have been killed in Stalin's era.

Few Soviet citizens dare to criticize or challenge the KGB as openly as does Mr. Sakharov. The agency's headquarters, a huge stone prison in Dzerzhinsky Square in Moscow, has a name, the Lyublyanka, whose mention is enough to strike fear into the heart of any Soviet citizen.

To combat this impression, the Soviet authorities have mounted a propaganda effort in recent years, including two movies lionizing "cheeky," as KGB agents are still known, after one of the older acronyms for the organization created to protect the Soviet regime when it was young, insecure and vulnerable.

But the effectiveness of the organization in domestic security lies to some extent in the climate of intense distrust, euphemistically called "watchfulness," that governs the Soviet state's relations with its citizens and their relations among themselves.

Watching Father

Soviet schoolchildren are still encouraged to honor Pavel Morozov, a 13-year-old boy who in 1932 turned in his father for harboring landlords during the collectivization campaign of that year. The boy was killed in vengeance by villagers.

Many Soviet citizens simply assume that their telephone conversations are monitored and their homes bugged. The KGB monitors Soviet airwaves. In one case, a Russian amateur radio operator said he was allowed only to display his equipment on the air and that if other subjects came up, in his broadcasts agents would drive up to his home within half an hour.

One person who has experienced both the Stalinist and current eras of the KGB is Kirill Uspensky, now a member of the Russian Research Center at Harvard, who was a member of the Communist Party and a well-known writer in the Soviet Union before his departure in 1978.

Mr. Uspensky said in an interview that as a young officer in the Soviet Army in the 1930s he was so immersed in Soviet propaganda about "enemies of the people" that his "romantic dream" was to rescue Stalin from an assassination attempt.

But in 1957, Mr. Uspensky said he was suddenly arrested and accused of being a Gestapo agent. During one interrogation, he said, he

Renewed Stability

The next two secret police chief also died violently. The first, Nikolai I. Yezhov, was dismissed by Stalin in 1938 and, according to Mr. Barron, eventually shot in the Lyublyanka prison. In 1953, Beria, who had acquired immense power in his 15 years as head of the secret police, was executed in the power struggle that followed Stalin's death.

The rise of Mr. Andropov to the top political position in the Soviet Union symbolizes the KGB's renewed stability. Indeed, Mr. Andropov

is the first secret police chief to rise to any of the very top political positions in the Soviet Union, much less to the post of general secretary of the party.

One reason for the KGB's effectiveness is that it does still resort to extralegal methods of political control, including physical violence, according to Soviet émigrés.

Mr. Uspensky, for example, told of an incident that occurred while he was visiting Mr. Sakharov in Moscow several years ago. Mr. Sakharov had just received an engineer on a brief visit to Moscow from the Urals who had reported to the physicist about political conditions in his home city. The engineer then disappeared and was only three days later, according to Mr. Uspensky, that the police said he had died in a traffic accident near Mr. Sakharov's home, although for unexplained reasons his body was reported in a town about 30 miles south of Moscow.

Every interrogation began with a phrase that had been gathered by some electronic devices, so the KGB gives the impression that they knew all about my movements," he said. "They would recount to me conversations that I had had. This was a trick meant to convince you that the person who was arrested is talking, and in this way they try to get your agreement that, yes, you said this and you answered that."

Alexander I. Solzhenitsyn, in "The Gulag Archipelago," detailed scores of cases and revealed the vast scope of the terror under Stalin.

Zinaida Grigorenko, a Soviet émigré now living in New York, said in an interview that her husband, a professor of philosophy, was put in a gunny sack and beaten to death in 1937.

Sent to Prison

As the wife of an "enemy of the people," Mrs. Grigorenko was imprisoned and sexually abused by security policemen, she said. She spent 10 months in a cell with about 200 women whose only crime seems to have been that they were related to such "enemies." Mrs. Grigorenko's husband was among the millions believed to have been killed by the secret police during the Stalin era.

In later years Mrs. Grigorenko continued to have trouble with the Soviet authorities, including the KGB, but she was not subjected to physical abuse, she said. She married a dissident army general who was imprisoned in a psychiatric hospital for six months. The KGB warned her that if she tried to get in touch with foreigners to publicize her husband's imprisonment, he would be killed.

The origins of the KGB can be traced to the Okhrana, the czarist secret police, which was transformed into the first Soviet instrument for political control by Lenin after he took power in 1917. This was the Cheka, or All-Russian Commission for Combating Counterrevolution, Speculation and Sabotage.

After the civil war, when the Communists consolidated their power, the Cheka became the GPU, then the OGPU, and after that the GUGB, whose chief was Genrikh G. Yagoda. He was executed in 1936 after a show trial for prosecuting the purges of Stalin's enemies with insufficient vigor, according to a book on the history of the Soviet secret police, "KGB: The Secret Work of Secret Soviet Agents," by John Barron.

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But in 1957, Mr. Andropov said he was suddenly arrested and accused of being a Gestapo agent. During one interrogation, he said, he

was hit by a member of the security police, and when he struck back, "two or three guards ran into the room and started beating me with their jackboots." He added, "I had two broken ribs, lost several teeth and was beaten into complete unconsciousness and brought into my cell in that condition."

Refined Techniques

In 1960, Mr. Uspensky, who had by that time become a writer and translator, was arrested and sentenced to a five-year term in a labor camp after being accused of making anti-Soviet statements. Mr. Uspensky said that since the Andropov era, his own experience with the KGB showed a number of new or refined techniques. About five or six times, for example, he was called into KGB headquarters in Leningrad and interrogated about friends of his who were under suspicion as dissidents.

"Every interrogation began with a phrase that had been gathered by some electronic devices, so the KGB gives the impression that they knew all about my movements," he said. "They would recount to me conversations that I had had. This was a trick meant to convince you that the person who was arrested is talking, and in this way they try to get your agreement that, yes, you said this and you answered that."

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was hit by a member of the security police, and when he struck back, "two or three guards ran into the room and started beating me with their jackboots." He added, "I had two broken ribs, lost several teeth and was beaten into complete unconsciousness and brought into my cell in that condition."

Refined Techniques

In 1960, Mr. Uspensky, who had by that time become a writer and translator, was arrested and sentenced to a five-year term in a labor camp after being accused of making anti-Soviet statements. Mr. Uspensky said that since the Andropov era, his own experience with the KGB showed a number of new or refined techniques. About five or six times, for example, he was called into KGB headquarters in Leningrad and interrogated about friends of his who were under suspicion as dissidents.

"Every interrogation began with a phrase that had been gathered by some electronic devices, so the KGB gives the impression that they knew all about my movements," he said. "They would recount to me conversations that I had had. This was a trick meant to convince you that the person who was arrested is talking, and in this way they try to get your agreement that, yes, you said this and you answered that."

Alexander I. Solzhenitsyn, in "The Gulag Archipelago," detailed scores of cases and revealed the vast scope of the terror under Stalin.

Zinaida Grigorenko, a Soviet émigré now living in New York, said in an interview that her husband, a professor of philosophy, was put in a gunny sack and beaten to death in 1937.

Sent to Prison

As the wife of an "enemy of the people," Mrs. Grigorenko was imprisoned and sexually abused by security policemen, she said. She spent 10 months in a cell with about 200 women whose only crime seems to have been that they were related to such "enemies." Mrs. Grigorenko's husband was among the millions believed to have been killed by the secret police during the Stalin era.

In later years Mrs. Grigorenko continued to have trouble with the Soviet authorities, including the KGB, but she was not subjected to physical abuse, she said. She married a dissident army general who was imprisoned in a psychiatric hospital for six months. The KGB warned her that if she tried to get in touch with foreigners to publicize her husband's imprisonment, he would be killed.

The origins of the KGB can be traced to the Okhrana, the czarist secret police, which was transformed into the first Soviet instrument for political control by Lenin after he took power in 1917. This was the Cheka, or All-Russian Commission for Combating Counterrevolution, Speculation and Sabotage.

After the civil war, when the Communists consolidated their power, the Cheka became the GPU, then the OGPU, and after that the GUGB, whose chief was Genrikh G. Yagoda. He was executed in 1936 after a show trial for prosecuting the purges of Stalin's enemies with insufficient vigor, according to a book on the history of the Soviet secret police, "KGB: The Secret Work of Secret Soviet Agents," by John Barron.

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Herald Tribune

INTERNATIONAL BUSINESS / FINANCE

WEDNESDAY, NOVEMBER 17, 1982

Statistics Index

AMEX prices	P.13	Filing Rate Notes
NYSE Prices	P.10	Gold Markets
Canadian Stocks	P.12	Highs & Lows
Commodities	P.12	Market Summary
Diversified Funds	P.12	Money Rates
Earnings reports	P.11	OTC Stocks
P.12		Other Markets

Page

BUSINESS BRIEFS

GM May Produce Isuzu Cars in U.S.

TOKYO (UPI) — An Isuzu Motor Co. spokesman confirmed Tuesday that the Japanese affiliate of General Motors Corp. is studying the possibility of giving licensing rights to GM to produce 300,000 small cars a year at a GM plant in the U.S. Midwest.

The spokesman said licensing was one of several measures Isuzu is considering as a means of expanding its sales in the United States in view of restrictions on exports to the U.S. market becoming more severe. GM owns 34 percent of Isuzu.

The spokesman said that any such licensing arrangement would have no effect on General Motors' negotiations with Toyota Motor Co. to jointly produce a Toyota-developed small car at a GM plant in California.

Exxon to Close Refinery in Wales

NEW YORK (UPI) — Exxon Corp., citing weak demand for oil products, said Monday that its European arm will close the company's oil refinery in Wales next spring.

London-based Esso will close its refinery at Milford Haven in western Wales and attempt to reassign the 200 employees at the plant.

The Exxon announcement marked the latest in a series of closures of European refineries that have become uneconomical because of declining demand for gasoline and other petroleum products.

U.S. Firm Seeks to Cancel Atom Plant

NEW YORK (NYT) — The Virginia Electric Power Co. says it will recommend to its board Friday that the utility cancel the North Anna Unit 3 Nuclear Power Plant because of a sharp increase in construction costs.

The company will ask for a rate increase to cover the estimated \$540 million write-off. It will take next year because of the cancellation, a spokesman said Monday. The rate increase would recover the cost over 10 years, he said.

A recent estimate of construction costs totaled \$5.1 billion, compared with an estimate of \$3.5 billion in 1980 and \$2.2 billion in the late 1970s. The shutdown costs would total about \$10 million.

Tang Buys Most McLouth Steel Assets

DETROIT (Reuters) — Tang Industries Inc. completed on Monday night the previously announced acquisition of most of the assets of McLouth Steel Corp. for about \$81.5 million, a spokesman for McLouth said Tuesday.

He said McLouth's fixed assets, valued at about \$160.6 million, were purchased for \$46.5 million, and inventories were acquired for about \$35 million.

McLouth, which now becomes a subsidiary of privately held Tang, filed for protection from its 10 secured creditors under Chapter 11 of the federal bankruptcy code late last year. A U.S. bankruptcy court last month approved the sale in principle.

U.K. Group to Invest in N.Y. Bank

NEW YORK (NYT) — L.F. Rothschild, Unterberg, Towbin, the Wall Street investment banking house, said Monday that a British investment group including Jacob Rothschild, of the British Rothschilds, plans to buy a 25 percent interest in the company. The plan, still under negotiation, also would give the British group the right to buy an additional 25 percent interest.

Mr. Rothschild, 45, is the son of Lord Rothschild, a British scientist and director of N.M. Rothschild & Sons, the British merchant bank. He is also a distant cousin of Evelyn Rothschild, chairman of the bank.

In an announcement made in New York, the Wall Street firm said it had signed a letter of intent providing for the British company, RIT and Northern PLC, to buy a \$30 million debt in L.F. Rothschild, convertible by 1990 into a one-fourth interest in the company.

Prices Off Sharply On NYSE

Compiled by Our Staff From Dispatches

NEW YORK — Prices on the New York Stock Exchange closed sharply lower Tuesday for the third session in a row as investors became increasingly pessimistic about the possibilities of a discount rate cut.

The Dow Jones industrial average skidded nearly 22 points during the first hour to dip below the critical 1,000 mark. It held above 1,000 for the rest of the day, however, and closed with a decline of 13.43, to 1,008.

Declines overwhelmed advances by more than four to one, and volume swelled to some 103 million shares from 78.9 million Monday.

The market did stage a small rally during the final hour following a White House report, which was quickly denied, that the Reagan administration was looking forward to a discount rate cut Tuesday.

An hour before the close, the Dow average was off 14.62 points, 20 minutes later, following the initial White House report, it was off just 4.5 points. In the last half hour of trading the White House said, it had no knowledge of a discount rate cut and the market quickly resumed its decline.

Monte Gordon, an analyst at Dreyfus Corp., said investors were also concerned by the lack of evidence that an economic recovery is under way.

Many of the day's biggest declines were recorded by stocks that scored impressive gains during the market's recent surge, including technology, brokerage, rail and blue chip stocks.

Losers on the active list included Mattel, 2 to 26½; Merrill Lynch, 2½ to 63½; GTE Corp., trading ex-dividend, 1½ to 35½; and Fannie Mae, 1½ to 23.

Retail stocks came under pressure as several of the chains reported poor earnings. J.C. Penney fell 2½ to 49½ and Woolworth lost 2½ to 25½; both had sharply lower earnings. Zayre, 2½ to 30, sharply higher profit, climbed 3½ to 64.

Energy Exchange, a new company, was the volume leader for the third day in a row and closed unchanged at 2½. The stock was listed on the exchange last Thursday, and was initially quoted at 1.

Prices were sharply lower in active trading of American Stock Exchange issues.



G. Michael Hostage, Howard Johnson's new chief executive.

Major Changes Likely For Howard Johnson

By Sandra Salmans

New York Times Service

NEW YORK — For the past half century, the orange roof of Howard Johnson's has been a fixture of the American highway, an inevitable stop for the family on vacation. Times have changed, but the Howard Johnson chain has not — and, industry analysts and competitors say, is the source of the problems afflicting the 57-year-old restaurant and lodging company.

"The Howard Johnson concept, the orange roof on the highway, is dead," said Charles Bernstein, editor of Nation's Restaurant News. "It's a chain that's riddled with problems. It's going to take time to turn this around."

In the three years since Howard Johnson Co. was acquired by the Imperial Group, the British tobacco and food conglomerate, it has been brought under a new chief executive officer — signaling the end of its existence as a Johnson family concern — as well as intense scrutiny of operations and markets.

So far, the activity has produced few discernible results.

The recession, which has hurt much of the restaurant and motel business this year, hit the Boston-based company particularly hard. In the first six months of its last fiscal year, which ended Oct. 31, Howard Johnson lost \$830,000 on sales of \$294 million. While the group has not yet reported its year-end results, London analysts who follow the Imperial Group are projecting a small profit for Howard Johnson, well below the \$34 million pretax figure that it earned last year.

Last week, as G. Michael Hostage, the new chief executive, huddled with top management in London to map strategy, there were indications from the company that the Imperial Group would soon approve a big capital injection into the ailing company.

Mr. Hostage, citing a busy schedule, declined to be interviewed. But a spokesman for Howard Johnson, Nancy Elmon, said, "They're going through the company from A to Z and looking at each operation."

What they are scrutinizing is a company that, decades ago, dominated a market it virtually created. According to legend, Howard D. (Continued on Page 11, Col. 1)

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Thomson Is Said to Seek Major Share in Grundig

By Paul Lewis

New York Times Service

PARIS — In what could be one of the largest fusions ever in the European electronics industry, the newly nationalized French electronics group Thomson-Brandt believes it is close to an agreement to take control of Grundig, the West German electrical concern, according to sources in the household electricals sector.

Last year, Grundig reported a loss of 35 million Deutsche marks on sales of 2.9 billion DM, although this year the company expects to show a modest profit.

The aim of the merger would be to create a new European electronics giant, closely linked to N.V. Philips of the Netherlands and able to compete with the big Japanese electrical companies. The new group would initially concentrate its activities on the radio, television and household videotape recorder field, the sources said.

Under the plan now being prepared, Thomson-Brandt would purchase the 75.5 percent stake in Grundig held by the Max Grundig Foundation.

The agreement apparently still requires the approval of Philips, which acquired a 34.5 percent stake in the West German company in 1979. Another bid is under way with Thomson-Brandt.

Foreign Trade Minister Michel

Frère has warned publicly that France would take further unilateral measures against Japanese imports unless its European Commission partners agreed to joint action.

Thomson-Brandt's decision has yet been made. Also on Tuesday, President François Mitterrand of France made an apparent reference to the merger plans when he told a seminar on industrial policy of "important negotiations underway in the household electricals sector."

According to sources, Thomson-Brandt is prepared to guarantee the continuation of various business accords that Philips has made with Grundig, including an agreement to supply the Dutch-built tube for its television sets.

Thomson-Brandt's decision to seek a merger with Grundig represents another major step in the effort to create a French Socialist-led electronics industry.

In recent weeks, the French government has been showing increasing concern about the flood of Japanese video recorders onto its home market. Taxes on recorders have been increased and importers forced to clear consignment through an understaffed customs depot in Poitiers.

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OECD Sees Recession Persisting

By John Bartram

Dow Jones Averages

20 Ind	100.24	100.24	100.24	100.24	100.24
100 Ind	102.24	102.24	102.24	102.24	102.24
150 Ind	102.24	102.24	102.24	102.24	102.24
15 U.S.	102.24	102.24	102.24	102.24	102.24
150 S&P	102.24	102.24	102.24	102.24	102.24

Standard & Poors Index	102.24	102.24	102.24	102.24	102.24
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Composite	102.24	102.24	102.24	102.24	102.24
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Industrials	102.24	102.24	102.24	102.24	102.24
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Transport	102.24	102.24	102.24	102.24	102.24
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Finance	102.24	102.24	102.24	102.24	102.24
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Trains	102.24	102.24	102.24	102.24	102.24
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Trans.	102.24	102.24	102.24	102.24	102.24
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New Inds	102.24	102.24	102.24	102.24	102.24
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New S&P	102.24	102.24	102.24	102.24	102.24
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Odd-Lot Trading in N.Y.	102.24	102.24	102.24	102.24	102.24
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Bonds	102.24	102.24	102.24	102.24	102.24
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Utilities	102.24	102.24	102.24	102.24	102.24
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Industrials	102.24	102.24	102.24	102.24	102.24
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Included in the S&P figure	102.24	102.24	102.24	102.24	102.24
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Market Summary, Nov. 16

Market Diaries

NYSE	102.24	102.24	102.24	102.24	102.24
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AMEX	102.24	102.24	102.24	102.24	102.24
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Class	102.24	102.24	102.24	102.24	102.24
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Prev.	102.24	102.24	102.24	102.24	102.24
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Adv.	102.24	102.24	102.24	102.24	102.24
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Vol. Up	102.24	102.24	102.24	102.24	102.24
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Vol. Down	102.24	102.24	102.24	102.24	102.24
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Uptch	102.24	102.24	102.24	102.24	102.24
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DoWnch	102.24	102.24	102.24	102.24	102.24
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New Highs	102.24	102.24	102.24	102.24	102.24
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New Lows	102.24	102.24	102.24	102.24	102.24
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New Bids	102.24	102.24	102.24	102.24	102.24
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New Offers	102.24	102.24	102.24	102.24	102.24
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New Bids	102.24	102.24	102.24	102.24	102.24
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New Offers	102.24	102.24	102.24	102.24	102.24
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New Bids	102.24	102.24	102.24	102.24	102.24
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New Offers	102.24	102.24	102.24	102.24	102.24
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New Bids	102.24	102.24	102.24	102.24	102.24
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New Offers	102.24	102.24	102.24	102.24	102.24
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New Bids	102.24	102.24	102.24	102.24	102.24
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New Offers	102.24	102.24	102.24	102.24	102.24
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New Bids	102.24	102.24	102.24	102.24	102.24
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New Offers	102.24	102.24	102.24	102.24	102.24
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New Bids	102.24	102.24	102.24	102.24	102.24
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New Offers	102.24	102.24	102.24	102.24	102.24
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New Bids	102.24	102.24	102.24	102.24	102.24
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New Offers	102.24	102.24	102.24	102.24	102.24
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New Bids	102.24	102.24	102.24	102.24	102.24
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New Offers	102.24	102.24	102.24	102.24	102.24
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New Bids	102.24	102.24	102.24	102.24	102.24
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New Offers	102.24	102.24	102.24	102.24	102.24
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New Bids	102.24	102.24	102.24	102.24	102.24
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New Offers	102.24	102.24	102.24	102.24	102.24
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New Bids	102.24	102.24	102.24	102.24	102.24
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New Offers	102.24	102.24	102.24	102.24	102.24
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New Bids	102.24	102.24	102.24	102.24	102.24
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New Offers	102.24	102.24	102.24	102.24	102.24
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New Bids	102.24	102.24	102.24	102.24	102.24
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New Offers	102.24	102.24	102.24	102.24	102.24
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New Bids	102.24	102.24	102.24	102.24	102.24
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New Offers	102.24	102.24	102.24	102.24	102.24
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New Bids	102.24	102.24	102.24	102.24	102.24
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New Offers	102.24	102.24	102.24	102.24	102.24
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New Bids	102.24	102.24	102.24	102.24	102.24
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New Offers	102.24	102.24	102.24	102.24	102.24
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New Bids	102.24	102.24	102.24	102.24	102.24
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New Offers	102.24	102.24	102.24	102.24	102.24
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Volkswagen Reports Loss of \$56.3 Million

The Associated Press

WOLFSBURG, West Germany — Volkswagen had a loss of \$46 million (Deutsche marks \$56.3 million) in the first nine months of 1982, the West German motor company reported Tuesday, compared with a profit of 15 million DM in the year-earlier period.

In an interim report, Volkswagen said profit of the parent company, Volkswagen AG, had contracted to 22 million DM in the nine-month period from 164 million DM.

Consolidated Volkswagen sales fell 0.75 percent to 23.07 billion DM from 27.865 billion DM, reflecting the result of a 3.3 percent decline in domestic sales to 9.19 billion DM.

The Volkswagen Group's foreign sales slipped to 12.88 billion DM in the nine-month period from 13.97 billion DM in 1981, the company reported.

Volkswagen said the "difficult situation of the U.S. automobile market had especially unfavorable effects" on the group's earnings.

Without offering detailed figures, the company said efforts to

improve the situation at its Brazilian unit, Volkswagen do Brasil S.A., and at the Triumph-Adler group, which makes high-technology office equipment, "have led to early favorable developments."

Both Volkswagen do Brasil and Triumph-Adler had been mentioned previously by Volkswagen as loss-makers in the group, contributing to a 5.5-percent decline to 136 million DM in group profit last year.

Volkswagen said it had been hurt by the worldwide recession. Generally declining demand, rising unemployment, high interest rates and increasing public indebtedness had slowed economic activity in West Germany as well as in other important industrial countries, the company said.

Its worldwide car sales dropped 4 percent to 1.623 million units in the January-September period from 1.692 million units a year earlier, the company reported.

The company stressed that while unit sales in Europe were above 1981 results, Volkswagen of America Inc., its major U.S. subsidiary, was especially hard hit by the generally weak demand for cars.

Major Changes Are Likely For Howard Johnson Chain

(Continued from Page 9)

Johnson founded the business in the early 1920s by making ice cream with double the usual butterfat content. He sold it first door-to-door, then in his own drugstore and then opened a restaurant in Quincy, Massachusetts, in 1925.

From then on, the built restaurants-motels on highways that, at that time, ran through the middle of nowhere. As the country grew, the stops became way stations on heavily traveled roads. They have also gone up in cities, including New York, in suburbs and near airports.

"Howard Johnson has some splendid locations," said Barry Krantz, marketing vice president for the restaurant division of Denys Inc., a fast-growing, California-based restaurant chain that is considered one of Howard Johnson's toughest rivals. "If they can get it together again, they'll be formidable competition."

What happened, rivals and industry analysts say, was that Howard Johnson failed to adapt to changing demographics and tastes. The family-oriented coffee shop on the highway has been superseded by the so-called California-style, typified by the hanging plants, natural foods and skylights at Denys.

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Full week at a glance. Black leather, gold metal corners, built-in note pad on back. Conversion tables; rabbed address sections; national holidays of 90 countries; vintage wine chart. (8x13cm.)

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Ingeniously designed to hold the IHT diary plus space for 4 credit cards, a gold metal pen securely anchored in a leather holder, the famous IHT "pull-out" memo pad, and a pocket for notes and business cards. Fine black leather, black silk lining, gold metal corners and your initials in gold. (9.5x14cm.)

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Agony at the Corporate Pinnacle: To Cope or Crack Under Pressure

By N.R. Kleinfield
New York Times Service

NEW YORK — It's a world that seems like paradise. There's the fat salary, the shower of perks. The art-filled office. The sleek limousines. The jets. The prestige. The power. Musing about its glittery trappings, a former inhabitant once remarked, "They sort of handle you like a precious egg."

The world is that of the chief executive officer. Along with all the sparkle, though, the job of the corporate head is permeated with almost unending stress. Many, of course, fend it off without any more ill effects than an occasional sleepless night. For others, the pressure can turn paradise into hell.

Who knows the dark side better than John Z. De Lorean? Mr. De Lorean is the most recent example of an executive plunged into a nightmare apparently by the stress and allure of high places. A master of uncommon intelligence, he has been charged with smuggling cocaine in an apparent last-ditch effort to raise cash to save his crippled car company as well as his king-sized ego.

Mr. De Lorean once remarked that, like himself, "Jesus was an outsider."

Beneath the De Lorean case lie the questions of what can happen to those who scale the corporate pyramid. How do they cope when the footing gets treacherous? "The pressures when things start to go wrong are enormous," said the president of a large public company. "You think, can I do anything about it? Do I screw around with earnings for the quarter and try to cover up and then worry down the road? You feel in a crunch between obligation and reality. You look around and you don't see a way out."

"When I read the Nixon tapes eight or nine years ago, and read about these meetings about what kind of public image should be presented — well, I've been in meetings like that. The good people, though, test such ideas against morality and legality."

And John De Lorean? "It's just so strange. It's like if I was setting out to kidnap Patty Hearst and planning to use the ransom money to inject into the business. It makes no sense."

Most corporate leaders feed off pressure like a shark hunter feeds off danger. "They're like the fireman," remarked a former president of a big conglomerate. "The bell rings, they jump in their boots and go down the pole."

Dr. Norman Paul — a Boston psychiatrist who says that in the corporate climate, "the fear of failure is the substitute for the fear of death" — remarked that chief executives who cope well generally have enjoyed good role models for coping early on; thus, they share problems. "It's not me vs. them, it's me with them."

Some companies, one former executive pointed out, historically

reel of stress, whereas others are joyful. Some individuals can take endless heat; others relatively little. So when the man with the low threshold climbs to the top of the inherently stressuous company, "the kettle explodes."

The annals of business are dotted with instances of kettles exploding — executives who drink, become abusive, commit crimes or kill themselves.

One of the most bewildering business mysteries of recent times was the case of Anthony Conrad. In 1976, Mr. Conrad quit as chairman of RCA Corp. after admitting he had inexplicably failed to file state or federal income tax returns for five years.

Others when they cracked, went further. Two examples:

In August 1981, Alvin Feldman, president of Continental Airlines, who was despondent over the loss of his wife to cancer and had been losing a takeover battle with Texas International Airlines, put a bullet through his brain.

In February 1975, Eli Black, the chairman and president of United Brands Co., jumped to his death from his 44th-floor office. Subsequent inquiries revealed peculiar decisions by Mr. Black, foreign bribes, suggestions that an insurance was brewing among his

Gray.

In reference to the entrepreneurial type, such as Mr. De Lorean, Mr. Zaleznik said: "I believe they fall prey to the Midas theory. Everything they touch will turn to gold, and if it doesn't, they go bonkers. I think if we want to understand the entrepreneur we should look at the juvenile delinquent. I think there are a lot of similarities. They both have an underdeveloped super-ego. And so they don't understand right from wrong."

"People attribute all sorts of power to the chief executive," said Maurice Vanderpol, a Boston consultant and psychoanalyst, and many chief executives want to buy into that belief. And that's a very serious situation. They can't stand to lose face, to admit any weakness. They can't share with anyone how frightened they are. They always think of the Wizard of Oz. You know, the booming voice of the person who you never see? Everyone fears him. Then you look and it's this old man."

Dr. Richard Firestone, a New York psychoanalyst, who treats a good many well-known chief executives, said that it is often true that corporate heads who go over the edge are sabotaged by some subconscious childhood "crime." Once they reach the pinnacle, they ambush themselves as punishment.

Abraham Zaleznik, a psychoanalyst and a professor of social psychology of management at the Harvard Business School, has nurtured a reputation for bringing Freud into the boardroom. "You've heard of the syndromes of fear of failure and fear of success."

Some companies, one former executive pointed out, historically

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated.

Britain-Netherlands Israel

Unilever **Altafine T. & R.** **Lucky Stores**

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SPORTS

Top Teams Face Test of Postwar Battle

International Herald Tribune
SALONIKA, Greece—Soccer is quite perverse; you are always most vulnerable in the battles that follow the war.

Italy's victory march has been stalled already. Four months after vanquishing the rest of the planet at the World Cup, the Italians were subjugated by an eager Swiss side that knocked them over more comprehensively than the 1-0 score in Saloni-ka suggested. Too much in Italian belles, we concluded; after all, the Azzurri took to the field for that already somewhat bloated after three days celebration in the company of pope and president and diplomats.

But last Saturday, beginning its European championship campaign in Milan, Italy was held, 2-2, by the Czechs. Twice ahead and twice caught, the air of superiority was as deflated as the personal pride of Italy's 40-year-old goalkeeper and captain, Dino Zoff, who equaled his 108-appearance record of Bob Moore for England and Roberto Rivelino for Brazil.

The excuse that Milan was a downpour and the field a bog that stifled Italian artistry will not wash. Who ever saw the Czechs, with a few fine performers of their own, pitch a pitched battle in adverse conditions away from home?

True, the new Czech manager, Antonin Hlavanek, had guided his nation to the 1980 Olympic gold. True, his reconstructed team had impressed in a recent friendly in Copenhagen. But we wait to see whether catching Italy with its pants around its ankles means that Hlavanek has unearthed what the Czechs traditionally lack—men of sufficient heart to capitalize on undoubted talent.

Hlavanek meanwhile enjoyed the advantage of being obliged to rebuild and redirect his forces. Every loss, including West Germany, does that. West German Understrainer Jupp Derwall survived his camp's internecine bickering in Spain, and the convincing West German victory over England at Wembley last month suggests the emphasis is, happily, back to cultured soccer.

But one swallow doesn't make a West German summer. Paul Stettner, Klaus Fischer and Horst Hubresch have withdrawn their services, and to replace Breitner's midfield influence, Derwall has flown to Barcelona to sweet-talk Berni Schuster, the *enfant terrible* he had said a year ago was destructive to the harmony of team unity.

Gifted in equal measure to his often demoniac behavior, Schuster now has his new chance against Northern Ireland in Belfast on Wednesday. Perhaps more important than Schuster is another of West Germany's young recruits —

Pierre Littbarski, born in Berlin despite the gallic sounding name, is the most important of the West German new wave because his darting pace, sharp touches and intuitive responses seem to bring out the best in Karl-Heinz Rummenigge.

Now recovered from a torn muscle, Rummenigge is, when prodded, without peer, in Europe. Breitner still prompts him intelligently.

ROB HUGHES

gentle for Bayern Munich, but at Wembley it was Littbarski who created both goals for his captain.

At 5-foot-10, the smallest and the quietest of the West Germans, Littbarski had come on late as a substitute after scoring three goals for the under-21 side back home 24 hours earlier. Rummenigge was playing well, but with the nippy little wings to galvanize him he became inspired.

Ironically, when Littbarski emerged in the West German team exactly a year ago, he was heading off comparisons to Rummenigge. "I don't much like being called 'the new Rummenigge,'" said the Cologne forward. "He's captain of the national team and I'm a comparative newcomer. We are going to need that, aren't we?" argues Robson. "We have to win. It's our life or death... but it's close."

Now we can only pray, too close.

With the British government still sitting on the fence — still complacently implying that hooliganism is a soccer problem (rather than the national social disease compounded by last week's riotous behavior by British cricket fans in Australia) — fears of violence remain.

And yet when Littbarski's quick reflexes claimed two goals in his first international, Rummenigge himself had welcomed the new star: "Pierre has a real future in this team," said the great man. Like it or not, the comparisons will continue, for they share the "distinction" of having been thought too elaborate in their youth.

I recall Helmut Schön, West Germany's former manager, reflecting praise of the teenage Rummenigge after his own debut: "A good player, but he slows down my team. When he learns to give as well as take and run with the ball, then Rummenigge will be a great player."

The criticisms that have come to Littbarski — that he is erratic (as are most gifted wingers) and likes to hug the ball — were crystallized last year when Raimus Michels, the disciplinarian coach of FC Cologne, fined him for overly elaborate dribbling of the ball.

So the spark of understanding between Rummenigge and Littbarski, each eager to please himself and the crowd, is well founded. Together they should be too irrepressible for Northern Ireland.

On the same evening England, decimated by injuries, will seek a victory in its European championship game against Greece in Saloni-ka. The match has been switched from Athens because the Greeks say they feared British hooligans

might smash up their expensive new stadium in the capital. England harbors thoughts that the switch is for home-side inconvenience.

"I know from personal experience with Ipswich," recalls the new England manager, Bobby Robson, "that Saloni-ka is a fanatical — hysterical, you might say — atmosphere. It'll be about keeping us to capacity; once again we hope we get time to concentrate on the soccer."

The British will be there, and disquieting television interviews from Saloni-ka suggest that local louts will challenge their macho image. "The English will be looking for trouble," said one toughie, "and they will get their answer."

Police will be out in force, nerves and restraint will be stretched to capacity; once again we hope we get time to concentrate on the soccer.

Meanwhile, the Scots face a tricky ride against Switzerland in Bern, Yugoslavia's weakened team has to travel to Bulgaria, and Spain, whose unarmed combat is most often on the field, will be in Dublin, where at the last count the home side has seven wounded players.

But all talk of thuggish behavior

has at least one happy ending. Patrick Battiston, the French full-back whose spine was put out of joint by West German goalie Harald Schumacher's infamous foul at the World Cup, is back, facing all

his old pistols. "I felt I ought to do something to silence all those people who talked about the incident in terms of events 40 years ago," said Battiston as he returned to the French national cause last week.

He galloped, willing as ever, into the Dutch penalty area — and this time emerged uninjured, save for the blackslapping of comrades after scoring the winning goal. It came out right in the end.

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OBSERVER

Spies, Spies Everywhere

By Russell Baker

NEW YORK — Our English friend Godolphin flies in from London now and then and stays at our place. Of course I always lock up my diary. One wouldn't want it winding up in Moscow in the hands of the KGB.

Mind you, I have no evidence that Godolphin is in the pay of the Russians, but when all is said and done — well, Godolphin is an Englishman, and over the years I have come to think of England as a country infiltrated by the KGB.

This impression has been created by an incessant flow of espionage news out of England for the past 30 years and the elegant spy novels of Graham Greene and John Le Carré. After long immersion in news and fiction about Englishmen on the Soviet payroll, one prefers not to expose his diary to the grasp of even such an ostensibly decent chap as Godolphin.

If folks like Burgess and MacLean could so readily betray their class, if the queen's own art adviser could take the ruble, who, finally, is to be trusted? I lock up my diary when Godolphin comes.

My family laughs about this. "You think all of England is on the Russians' payroll?" asked Grandmother.

"Laugh, Grandmother, laugh." I said. "But you don't remember what happened to the American Communist Party when J. Edgar Hoover was running it."

She did remember, though. After all, she had been an FBI undercover agent in that era, had even written a book about it, the highly successful "I Was a Grandmother for the FBI."

At Hoover's orders, she had infiltrated the party, only to find that it was already infiltrated with so many undercover FBI agents that if Hoover had ordered them to start paying dues the party would have gone bankrupt.

"Sure I remember," Grandmother said, "and thanks to J. Edgar we kept the Communist Party going for years. A good thing, too, if there hadn't been any Communist Party politicians in this country wouldn't have had anything to run against for 20 years."

I put it to her that the Soviets were pursuing the same strategy in England. By putting every Englishman in Blighty on the KGB payroll, perhaps they were deliberately

keeping England from economic collapse. By preserving a British menace to occupy their attention, they could be excused for not being able to grow corn.

She snorted. "You're paranoid, sonny."

"Short away," I told her, "but when the Communists prevail and one of them says the Cold War was won on the playing fields of Eton, I'll be doing the snorting and add remember: He who snorts last snorts best."

As it happened, Godolphin came from London the very day the latest British secrets stealer, one Geoffrey Prime, was sentenced to 35 years in prison for feeding vital military data to the Soviet Union. Playing the perfect guest as always, Godolphin brought a quantity of fine cognac and insisted on taking Grandmother and me to a splendid restaurant.

Thinking I might perhaps uncover him into revealing himself, when we sat down I observed that it was 9 P.M. "It's prime time on television," I said.

"Not a switch out of him. 'Let's have the prime beef,' I suggested. Still no response. So I said, 'I must say, Godolphin, that you always stand us to a prime feed.'

If he was a Soviet agent, he was certainly the coolest devil Moscow had ever seduced, for my pointed references to Prime produced no response whatever, and even when I finally interrupted the dessert to ask, "How many prime numbers can you think of, right off the top of your head?" his only response was, "Are you feeling quite all right, fellow?"

"He wants to know if you're a Commie," blurted Grandmother, who was laying a second brandy over a small interior lake of Bordeaux. "Ignore, Grandmother," I said. "She's a small lake of Bordeaux."

"I don't know there were any lakes in Bordeaux," said Godolphin. "Where are you located?"

"Don't tell him," I whispered. "The information could go straight to Moscow."

"Tush!" she said. And to Godolphin, "I've been a Communist myself."

Late that night while he slept, I browsed in his diary. The sole entry for the evening said: "Alas, England's worst fears confirmed tonight. Among the Yankees even grandmothers are willing to take the filly ruble."

New York Times Service

Leon Uris

By J. Sebastian Sinisi
The Denver Post

ASPEN, Colorado — From their living room window on Red Mountain, just east of the hub of this resort town, Leon and Jill Uris have a view that commands a golden, aspen-dotted vista of the Roaring Fork Valley. And indeed the Urises, successful in their separate careers and blissfully happy together, are enjoying the good life.

But neither this outpost of Nirvana nor the success that has made it possible has come easily for the best-selling novelist Leon, 58, or for Jill, who at 35 has just had her third book of color photographs, author of a string of best sellers, including "Exodus" (1958) and "Trinity" (1976), saw his first book, "Baile Cry," rejected a dozen times before G.P. Putnam accepted it. And before meeting him, Jill, who is six months younger than Leon's oldest daughter by his first marriage, chose the genteel poverty — by Aspen standards — of teaching elementary school and photographing tourist skiers.

They are a handsome couple. He is a craggy visage, furrowed by battles with publishers and years of on-location research, with gray hair spilling out from under the cowboy hat he likes to wear in the mountains. She is slim, with a model's good looks enhanced by clear blue eyes and just a touch of gray.

Their seven-room home is an eclectic blend of Southwest and Middle East. When they must get away, it's usually to what they call their "cabin," an apartment in Denver.

Leon, who calls himself a "Roosevelt Democrat" — "actually, I'm a liberal and a reactionary at the same time" — is a former Marine with old-fashioned values like love of country, a stiff attitude toward Russia and a high regard for family and loyalty. "Jill helped mellow me out," he noted. "I was much more a chauvinist pig before we met."

Leon, whose work habits are "relatively undisciplined," manages to work a fairly steady six hours a day, starting at 8:00.

"Rewriting is what makes you a writer," he observed. "I may have to rewrite a passage 20 or 30 times until it's right. This is the stage that saps most people."

Yet the Urises haven't exactly had a charmed life. Jill was in an accident in 1970 that called for brain surgery and left her unable

to photograph for nearly a year. Last spring, she miscarried a child that would have been their first. In August of this year, Leon underwent surgery that removed a tumor from between a lung and his heart. The tumor, the "size of a baseball," proved benign.

Now she is working on another photo collection — set, this time, in the United States — and he is completing another novel, a sequel to "Exodus" already two years late on Doubleday's timetable.

Born in 1924 to Russian-Jewish parents with an affinity for leftist causes, Leon grew up in a poor Baltimore neighborhood, in a home that was broken by the time he was in his teens. His parents did, however, pass along to him a love for literature and leftist politics. He failed high school English three times before leaving school to join the Marines at 17, a month after Pearl Harbor.

Leon's World War II experience provided the basis for "Baile Cry," his first book. An upbeat, pro-Marines account of the war, the book sharply contrasts with other World War II novels.

After his marriage to Marine Sergeant Betty Beck in 1946, Uris settled in San Francisco, working as a newspaper home-delivery district manager. He drifted from rejection to rejection, until "Baile Cry" was published in 1953.

The Sinai War of 1956 cut short research for "Exodus," but the eventual book became one of the all-time success stories of American publishing. There were 50 translations into foreign languages plus at least a dozen unauthorized editions in Soviet-bloc countries.

"Exodus" contained an account of the ill-fated Warsaw ghetto uprising of 1944, when poorly armed Jewish civilians fought German tanks and artillery. It became the basis for "Mila 18," the work in which Uris takes the most pride. "It was the one thing I wrote not caring if it sold 10 or 10,000 copies. I simply had to tell the story."

In 1964, Uris completed "Armageddon," about postwar Berlin and the airlift. By this time, he was separated from his wife and living in Aspen, where he had been skiing since the early '60s.

Then, during an Acapulco vacation, Uris met and befriended one Philippe Thysard de Vosjoli — a French diplomat whose papers on French intelligence activities led to "Topaz," which wasn't published until 1967, after long legal hassles.

In 1968, Uris married a former New York model, Margery Edwards, described by one Aspinite as "quite beautiful" — not outdoorsy like Jill. But you could tell she was troubled. "Six months after the marriage, she committed suicide with a gun."

Enter Jill Peabody, who was co-directing the Center of the Eye photographic institute in Aspen. She met Leon at a dinner party, comforted him at a low point in his life — and helped him struggle with "OB VII" (a book about the trial of a Nazi war criminal turned respectable). In February 1970, they were married at the Algonquin Hotel in New York.

And now? "In a sense, we've already done it all," said Leon. "Simply having survived 30 years in this business is an accomplishment in itself," he observed. "I've already outlived one generation of critics and am working on the second."

PEOPLE

How Not to Make Love

The author of the best-selling book "How to Make Love to a Woman" pleaded guilty to punching his former girlfriend in the face. Manhattan Criminal Court Judge Stephen Crane sentenced Michael Morgenstern, a 30-year-old author and lawyer, to 10 unconditional discharge and a \$40 "penalty assessment." "We got into a heated argument and for one second I lost control," Morgenstern said of the incident in which he hit his former girlfriend, the 22-year-old fashion model Ethel Marie Parkes. The guilty plea was entered after Morgenstern agreed to a \$20,000 settlement of a civil lawsuit Parkes had filed against him, according to her lawyer. "She just wanted to get her teeth fixed. She says she wasn't happy about the publicity," the attorney said. Morgenstern's book urges men to take the lead in relationships and show sensitivity toward women. The incident occurred Aug. 5, 1981, the day after Parkes moved out of the apartment she had shared with Morgenstern in Manhattan.

Prime Minister Malcolm Fraser of Australia left the Melbourne hospital where he spent 16 days because of a back operation needing minor surgery. He told reporters he would spend at least three weeks recuperating at his farm in northwest Victoria. *— Bob Hope* is suffering an infection in his right eye similar to the condition that required him to have operations on his left eye between 1958 and 1969, a spokesman for the comedian said.

Crown Prince William Alexander of the Netherlands, ending a private visit to Britain, was held up at London's Heathrow Airport for several hours Sunday night because his bodyguard refused to turn in his gun. Dutch officials confirmed the 15-year-old prince and his escort missed their flight and waited three hours for the next plane home. According to the Amsterdam daily *De Telegraaf* the bodyguard finally gave in to the demands of the security police and handed over his pistol to the aircraft's captain.

Vassian Kojian, conductor of the Utah Symphony, says he was fired because of his personal lifestyle — including a love affair with a woman Mormon missionary — but not for professional failings. The symphony's board of directors has refused comment of Kojian's claims and is sticking to its summer statement that the conductor was dismissed due to "a lack of leadership with the orchestra's musicians." The board moved against Kojian on July 7, voting to retain him for one more season and then terminate his contract, which expires June 30, 1983. The native of Lebanon was an unpopular 1980 successor to Maurice Abravanel, who conducted the orchestra for

replies to his invitation.

The Paris-based Association for the Promotion of Friends in International Affairs will present its seventh annual Noble Prize to the Hungarian-born British humorist George Miller on Nov. 23. Miller is the author of "How to Be an Alien," "How to Seize Skies," "The Land of the Rising Sun" and other books, which have been translated into 21 languages. APHIA also awards a "Book Prize" which goes this year to U.S. Defense Secretary Caspar W. Weinberger, mainly for his proposal to prepare for a protracted nuclear war. Miller is expected to be present to get his award at a luncheon in Paris; Weinberger has no reply to his invitation.

Harry Nalick, the Washington

Novelist Uris: "Critics are often unhappy people."

Photo: Harry Nalick

Photo: Harry Nalick